Sterling

2024 ANNUAL REPORT
& FINANCIAL STATEMENTS

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2nd Annual General Meeting of Sterling Financial Holdings Company Plc (the "Company") will be held virtually via sterlingholdco.ng/agm; on Friday, 11th July 2025 at 10:00am to transact the following businesses:

Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31st December 2024, the reports of the Directors and the Statutory Audit Committee thereon.
2. To declare a dividend for the financial year ended 31st December 2024.
3. To elect/re-elect Directors
(a) To elect Mr. Ashutosh Kumar as a Non-Executive Director
(b) To re-elect the following Directors who are retiring by rotation:
(i) Ms. Eniye Ambakederemo
(ii) Mr. Shola Adekoya
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To disclose the remuneration of Managers of the Company under Sections 238 and 257 of the Companies and Allied Matters Act 2020.
6. To elect the shareholders representatives of the Statutory Audit Committee.

Special Business

To consider and if thought fit, pass the following resolution as an ordinary resolution:
7. That the Annual Non-Executive Directors' Fees for the year ending 31st December 2025 be fixed at N191,134,000 (One Hundred and Ninety-One Million, One Hundred and Thirty- Four Thousand Naira) until reviewed by the members at an Annual General Meeting.

8. To consider and if thought fit, pass the following sub-joined resolutions as special resolutions:

i. That the Company be and is hereby authorized to raise up to US$400 million (Four Hundred Million United States Dollars) or its equivalent in Naira or other currencies through the establishment of a Shelf Programme. The capital may be raised in tranches or otherwise over a specified period through the issuance of debt instruments (including, but not limited to bonds that may be convertible or non-convertible, commercial papers, Sukuks, medium or short term notes, and debentures), preference shares, ordinary shares, global depositary receipts, or a combination thereof, in the Nigerian and/or international capital markets, whether by way of public offer, private placement, rights issue, or any other method, at prices, coupons or interest rates determined through book building or any other acceptable valuation method, or combination of methods, in such tranches, series or proportions, within such maturity periods and at such dates and upon such terms and conditions as may be determined by the Board of Directors of the Company (the "Board"), subject to the procurement of requisite approvals from the relevant regulatory authorities;

ii. That in furtherance of the Shelf Programme, the Board be and is hereby unconditionally authorized pursuant to sections 127(1) and 149(1)(a) of the Companies and Allied Matters Act 2020 (as amended by the Business Facilitation Act 2022), to increase the share capital of the Company by the allotment of shares of the Company at any time necessary for a period of 2 (two) years from the date hereof;

iii. That in the case of a rights issue, shares that are not taken up by existing shareholders within the period stipulated under such rights issue may be offered to other shareholders of the Company that have indicated their interest in purchasing additional shares arising from the rights issue, subject to the terms and conditions as may be determined by the Board;

iv. That the Board be and is hereby authorised to seek the listing and admission to trading of any securities issued pursuant to the foregoing resolutions, on the relevant market of the Nigerian Exchange Limited, or on the relevant market of FMDQ Securities Exchange Limited, or on both, or on such other securities exchange in Nigeria or elsewhere (as the case may be);

v. That the Board be and is hereby authorised to amend the Company's Memorandum and Articles of Association to reflect the Company's new share capital structure prior to or following the capital raise arising from the foregoing resolutions, and that the Company Secretary be and is hereby authorised to take all necessary steps to give effect to these amendments;

vi. That the Company Secretary be and is hereby authorised to register any increase(s) in share capital with the Corporate Affairs Commission in such incremental proportions or tranches as the Board may deem necessary or desirable, and the Board is hereby authorised to issue on behalf of shareholders, such resolutions as may be required by the Corporate Affairs Commission; and

vii. That the Company be and is hereby authorized to appoint such professional parties and advisers, and perform all other acts as may be necessary to give effect to the above resolutions, including obtaining relevant regulatory approvals and, without limitation, complying with the directives of any relevant regulatory authority.

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 their 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 Registrar, Pace Registrars Limited, Akuro House (8th floor), 24 Campbell Street, Lagos not less than 48 hours before the time of the meeting. A blank proxy form is attached to this Notice.

2. Stamping of Proxy: The cost of stamping the instruments of proxy would be borne by the Company.

3. Dividend Payment: A dividend of 18 Kobo per 50 kobo ordinary share has been recommended by the Board of Directors for the approval of the shareholders. If approved, the payment of dividends will be made on 11th July 2025 to all shareholders, whose name appear in the Register of Members at the close of business on 1st July 2025.

4. Closure of the Register of Members: The Register of Members shall be closed from 2nd July 2025 to 4th July 2025 (both days inclusive) for the purpose of updating the Register of Members for payment of dividend.

5. E-Annual Report: The electronic version of the Annual Report is available at www.sterlingholdco.ng. Shareholders who have provided their email details to the Registrar will receive the electronic version of the Annual Report via email.

6. Questions from Shareholders: Shareholders reserve the right to ask questions not only at the meeting but also in writing before the meeting on any item contained in the Annual Report and Financial Statements. Please send questions, comments, or observations to investor.relations@sterling.ng no later than 7th July 2025.

7. Unclaimed Dividend and E-Dividend Mandate: Shareholders are requested to update their records and advise Pace Registrars Limited of their relevant bank accounts for the payment of their dividends. Detachable forms in respect of mandate for e-dividend payment, unclaimed dividend payment, and shareholder data updates are attached to the Annual Report for convenience. The forms can also be downloaded from Pace Registrars Limited's website at www.paceregistrars.com.The duly completed forms should be returned to Pace Registrars Limited, Akuro House (8th Floor), 24, Campbell Street, Lagos, or to the nearest Sterling Bank or Alternative Bank Branch.
The list of unclaimed dividends can be accessed at www.sterlingholdco.ng/claims.

8. Statutory Audit Committee: The Statutory Audit Committee consists of (3) three shareholders and 2 (two) Non-Executive Directors in accordance with Section 404 (6) of the Companies and Allied Matters Act 2020. Any member may nominate a shareholder as a member of the Statutory Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 (twenty- one) days before the Annual General Meeting. The Companies and Allied Matters Act 2020 and the Securities & Exchange Commission's Corporate Governance Guidelines provide that members of the Statutory Audit Committee should be financially literate and should be able to read financial statements. We therefore request that nominations should be accompanied by a copy of the nominee's curriculum vitae.

9. Re-Election of Directors: By the provisions of the Companies and Allied Matters Act, 2020 the following Directors of the Company are to retire from office at the 2nd Annual General Meeting, Ms. Eniye Ambakederemo and Mr. Shola Adekoya. The retiring Directors, being eligible, offer themselves for re-election. The profiles of the Directors are available in the Annual Report and on the Company's website at www.sterlingholdco.ng/our-people

10. Virtual Meeting Link: Further to the provisions of the Business Facilitation (Miscellaneous Provisions) Act which allows public companies to hold meetings electronically, this AGM would be held virtually. The virtual meeting link will be sent to shareholders electronically and will also be made available on the company's website at www.sterlingholdco.ng/agm and on the Registrar's website at www.paceregistrars.com.

Dated this **19th day of June 2025**
By Order Of The Board

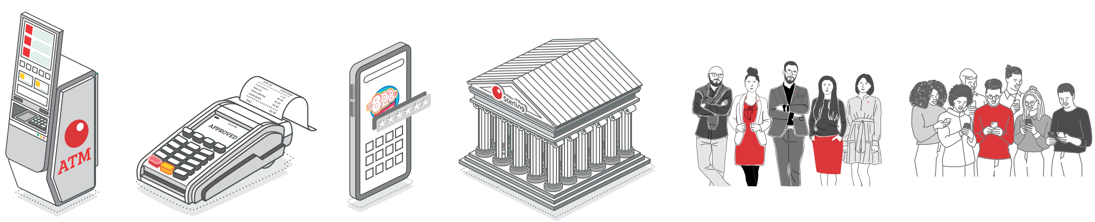
ADEYOOLA TEMPLE
For Company Secretary
20 Marina, Lagos

Performance Highlights

Financials

Total Assets	N3.5trn	▲ 40%
Loans and Advances	N1.1trn	▲ 23%
Customer Deposits	N2.5trn	▲ 37%
Total Equity	N305.2bn	▲ 66%
Gross Earnings	N337.2bn	▲ 52%
Net Interest Income	N134.8bn	▲ 62%
Pre-tax Profit	N45.9bn	▲ 102%
Earnings Per Share	151Kobo	▲ 101%

Channels | Sterling Bank



404	55k	4.6m	160	3790	5.1m
ATM	POS Terminal	USSD Users	Branches	Professional Staff	Customers

Channels | Alternative Bank

3000	1.2m	20	65	622	650k
POS Terminal	USSD Users	Branches	Wakeel Outlets	Professional Staff	Customers

Ratings | Sterling Bank

Moody's	GCR Ratings	DataPro
B3: Long-term issuer	**BBB**: Long-term issuer	**BBB+**: long term issuer
	A3: Short-term issuer	**A2:** Short term issuer

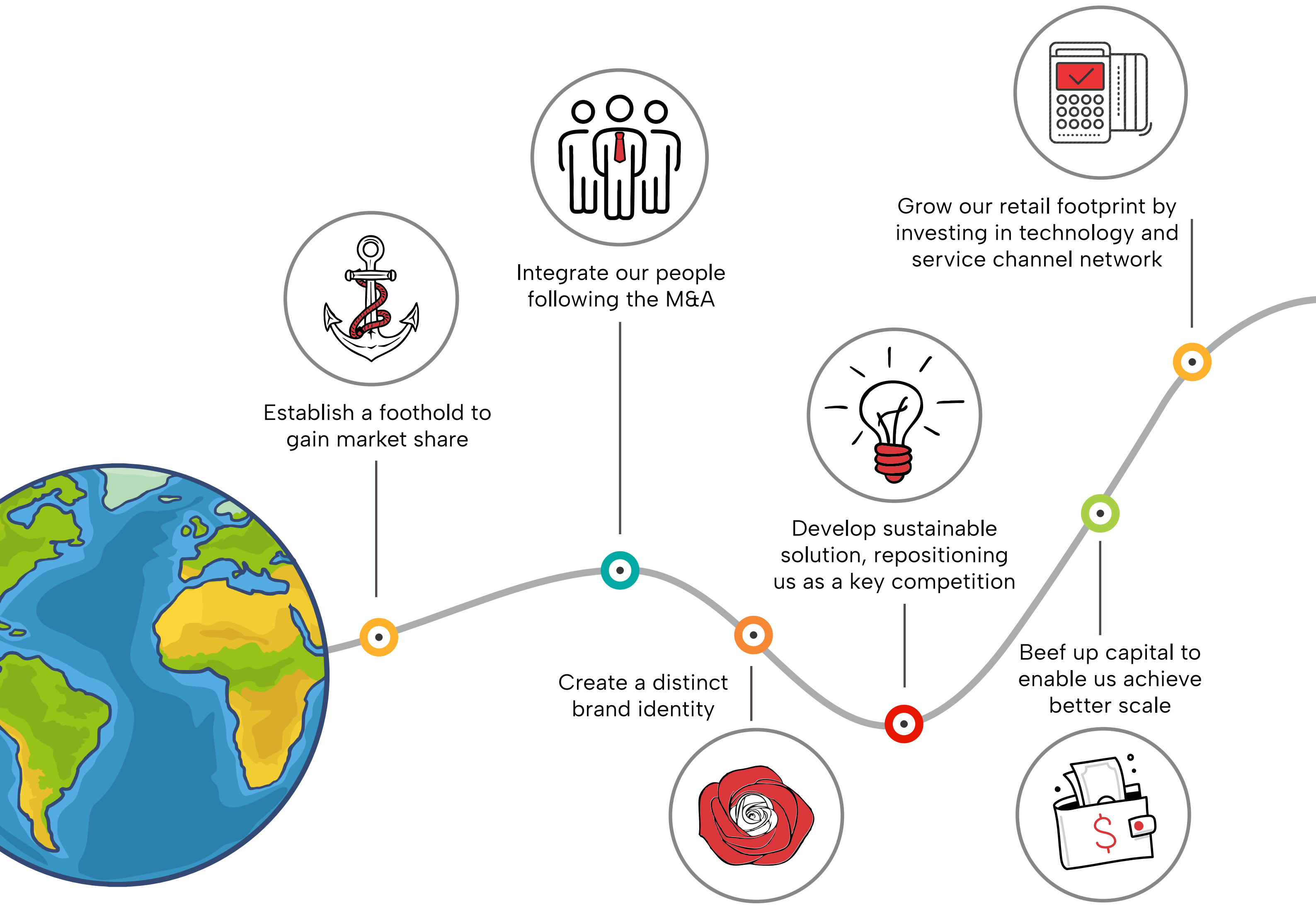
Ratings | Alternative Bank

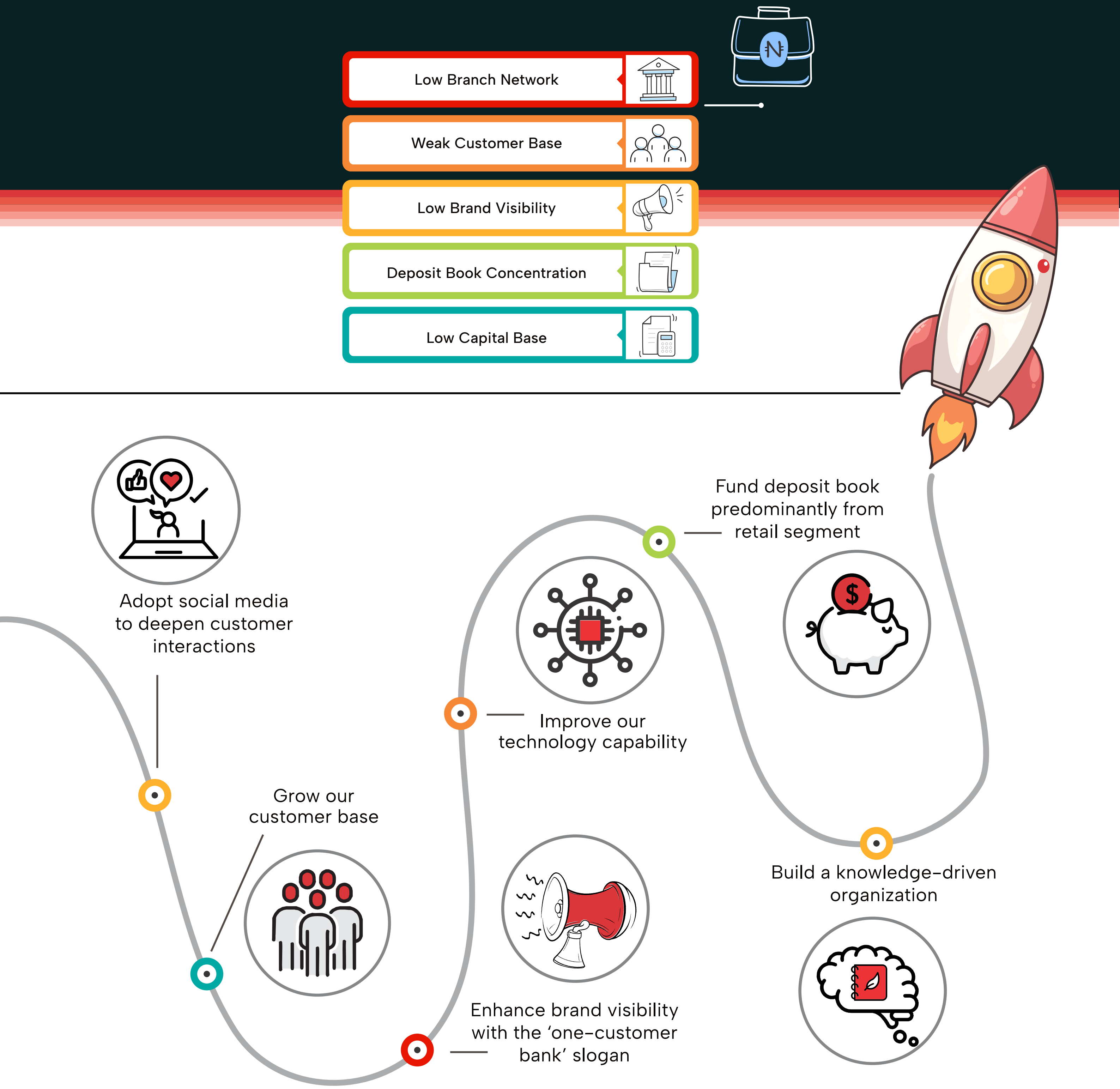
GCR Ratings	DataPro
BB: Long-term issuer	**BBB**: long term issuer
B: Short-term issuer	**A2:** Short term issuer

Our Heritage

2006 – 2013 | The Birthing Process

We navigated through these years to:





Low Branch Network
Weak Customer Base
Low Brand Visibility
Deposit Book Concentration
Low Capital Base
Adopt social media to deepen customer interactions
Grow our customer base
Improve our technology capability
Enhance brand visibility with the 'one-customer bank' slogan
Fund deposit book predominantly from retail segment
Build a knowledge-driven organization

Our Heritage

2006 – 2010 | The Birthing Process

2011–2012

- Sold the non-core businesses following the repeal of universal banking license by CBN
- Acquired Equitorial Trust Bank to scale our business

2013–2014

- Raised N12.1 billion in equity
- Obtained Non-Interest Banking window license
- Launched Agent Banking
- Raised US$120m (N19.1 billion) through a private placement

2015

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

2016

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

2017

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

2018

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

2019

- Ramped up investments across our strategic levers: Specialization, Digitization & Agility
- Ranked 3rd best Retail Bank in Nigeria
- Awarded HR Optimization Award for overall HR best practice
- Awarded 'Banking in the Community Award'

2020

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

2021

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

2022

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

2023

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

2023

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

2024

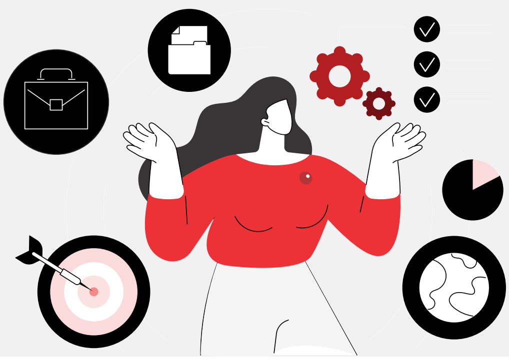
- Raised N75 billion via a private placement for the recapitalization of our banking subsidiaries
- Our conventional banking subsidiary migrated to SeaBaaS, Africa’s first core banking platform
- Obtained final license for our asset management subsidiary, SterlingFI

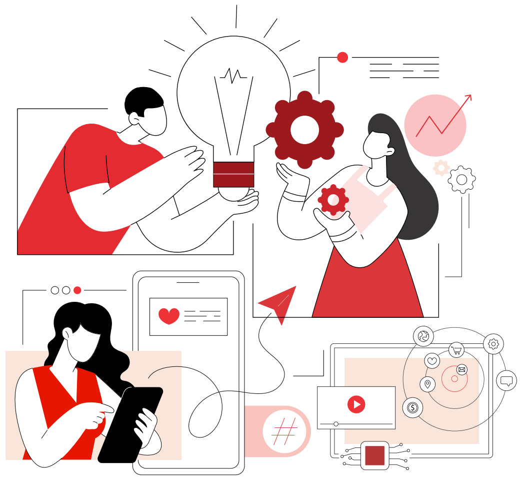
Beyond Banking

"Reinvention is the purest form of growth—it's not about changing who you are, but becoming who you're meant to be."

A few years ago, we set out on one of the most ambitious and audacious journeys undertaken by any financial institution on the continent. We did not just want to offer banking services; **we wanted to enrich lives.**

Our vision was bold:
"to become the financial institution of choice by embedding ourselves in the daily lives of our customers through technology, trust, and innovation."

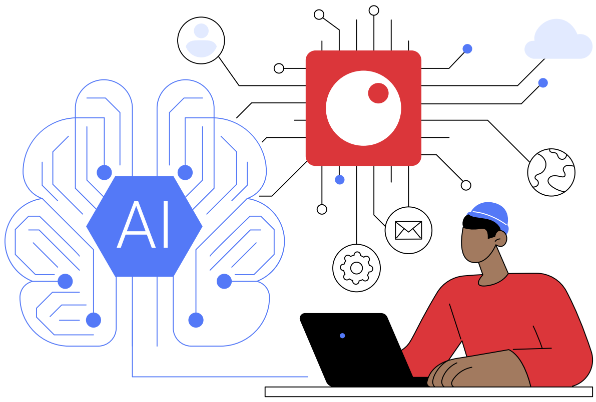




We did not just want to enable payments or savings but wanted to be architects of powered dreams, empowered businesses and prosperity for our country.
We challenged conventions and embraced digital transformation long before it became the norm.

Today, Sterling has grown to become one of the continent's leading innovative and trusted institutions. Despite this growth, we wanted to do more and knew that the journey was not over.

As customer expectations evolve, technology is redefining possibilities. The new opportunities to create value extend far beyond traditional banking, and we intend to actively make the most of these opportunities.

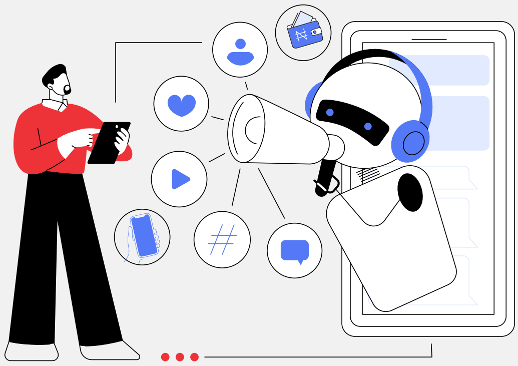


Our transition to a holding company is not merely a structural shift but a strategic leap forward while holding on to our vision. Our vision remains the same;

"To be the institution of choice for key stakeholders by entrenching a customer-centric business model and creating wealth through trust and enhanced technological capabilities".

What has changed?

Our environment, the market and the scale of opportunity. Therefore, our approach must now reflect this new reality, and our responses in an ever-changing world must be agile, self-correcting, innovative and always in motion. It is on this premise that we will operate our business.



Across emerging markets like Nigeria and beyond, the convergence of innovation and opportunity presents an exciting new frontier. As new markets open up to disruptive ideas and scalable solutions, our growth will call for more specialized and complex services beyond the capacity of commercial banking. By transitioning to a holding company, we are empowered to do the following:

Enhance synergy	Strengthen functional expertise	Increase agility and resilience	Create wealth and accelerate innovation
Seamlessly integrate the strengths of our diverse businesses, unlocking new layers of value and collaboration.	Allowing each subsidiary – conventional banking, non-interest banking, technology, asset management, and future ventures – to achieve specialized excellence.	Building a more diversified and robust group structure capable of navigating market dynamics.	Creating new pathways for innovation and value creation across the entire business spectrum.

Our approach

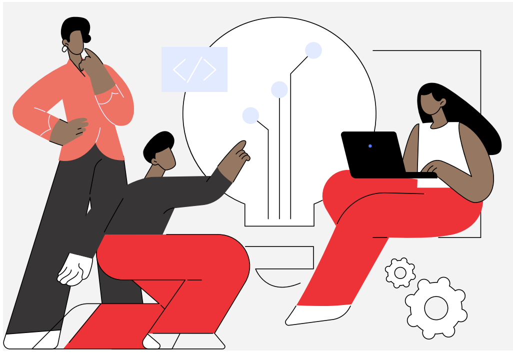
Our business model is two-pronged: operational and oversight. We will become a resource allocator for our subsidiaries, strategically helping foster growth and providing strong governance and direction to key investments and our subsidiaries. We would focus on strengthening the values that brought us here while adapting for the future.

Today, our portfolio includes:

Sterling	the alternative bank	Sterling FI Wealth Management
Sterling Bank Ltd	**Alternative Bank Limited**	**SterlingFI Wealth Management**

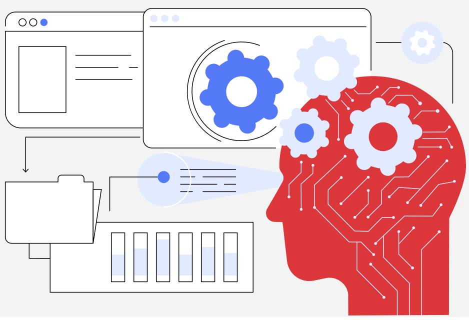
These subsidiaries operate with autonomy while unified under a shared vision and collaborative ecosystem. We will integrate customer-centric solutions across our businesses, leveraging cutting-edge technology, deep sector expertise, and shared infrastructure. The pillars that will drive our operation are:

Integrated Strategic Partnership



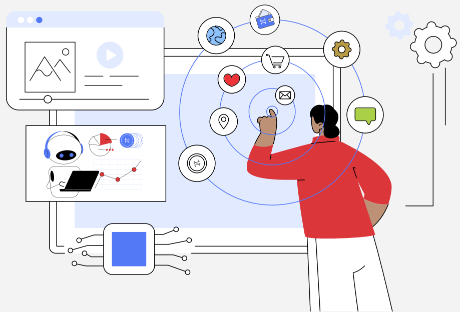
We have moved beyond being just a bank to becoming a comprehensive financial ecosystem. This ecosystem is designed to meet the holistic needs of our customers, offering integrated solutions that span their personal and business lives. We will also focus on creating seamless collaboration across subsidiaries for all our customers.

Technology & Digital Supremacy



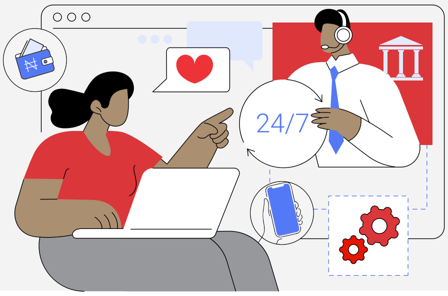
Technology will not just support our strategy; it will be our strategy. We will position our technology as an innovative engine leading digital transformation, not just for the organization but also as a business strategy for the industry.

Specialization



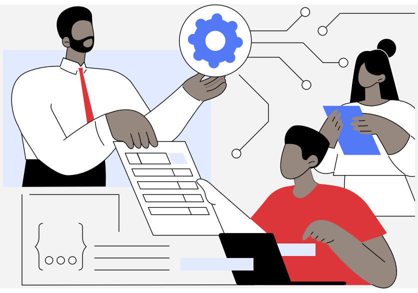
We will leverage each subsidiary's unique capabilities to deliver high-impact, specialized solutions that address complex challenges and unlock growth across key sectors.

Customer Obsession



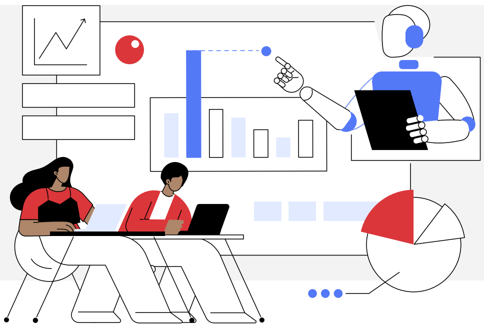
Our customers will remain a key part of our business, whether through conventional or non-interest banking, asset management, technology, or any other. We will empower our subsidiaries to deliver deeply personalized, meaningful experiences.

Sustainable Growth & Responsible Leadership



We are committed to building an inclusive, ethical, and sustainable future, creating long-term value for all stakeholders while making responsible choices for the planet and society.

Agility



We will foster a dynamic, future-ready culture that empowers our people to thrive. By nurturing innovation, agility, and leadership at every level, we will fuel our next phase of growth from within

We promise to create unparalleled value for our customers through seamless and intuitive financial experiences, deliver sustainable returns to our shareholders, foster a dynamic and rewarding environment for our employees, and contribute meaningfully to the development of our communities. Together, we are building more than a group of companies; we are architecting the future.

Putting People First, Always

In July 2023, we restructured our business into a holding company, Sterling Financial Holdings Company, the parent company, bringing together Sterling Bank and Alternative Bank under one roof. With a bold vision to create a future-focused financial powerhouse, we aimed not just to diversify earnings and strengthen our competitiveness, but most importantly, to redefine how organizations support their people. Powered by our dynamic subsidiaries, we are proving that even in a rapidly changing economy, when you invest in people, everything else follows.

Built on People, Built to Last

Our organizational structure was designed to unlock non-banking revenue and empower our subsidiaries to focus on what they do best, **PUTTING PEOPLE FIRST**. Sterling Bank and Alternative Bank have distinct stories, but the heartbeat is the same: a shared belief that success is built from the inside out.

This philosophy came to life under PEOPLE REACH, a philosophy of placing human potential at the center of everything we do. What began as individual efforts has blossomed into a Group-wide commitment to enhancing employee experience, fostering innovation, and driving growth across Nigeria.

Sterling Bank: Innovation with Heart

In 2024, Sterling Bank stood as a trailblazer in innovation, driven by a people-first mindset. Through PEOPLE REACH, we did not just adapt to change; we led it. Our unwavering belief that our people are our greatest asset unlocked their potential to not only drive our success but also to better serve our customers and communities.

One example is the seamless migration of Sterling Bank to SeaBaaS, a groundbreaking core banking system developed entirely by local talent. This homegrown innovation is setting new standards for digital banking in Nigeria, ensuring efficiency, security, and a thriving local tech ecosystem

But innovation at Sterling goes beyond technology, it's about creating an inclusive, caring environment where every individual has the opportunity to thrive. Initiatives like Sterling Embrace and Sterling Momship are creating spaces for diverse voices, embracing inclusivity, and supporting moms. These programs reflect our belief that when people feel valued, they can bring their best selves to work.

In 2024, our commitment did not go unnoticed. We were honored with several prestigious awards, including for Excellent Commitment to Disability Inclusion and Excellence in HR Communication Strategy, and named one of Nigeria's Great Places to Work. But it's not just about the accolades, it's about living our values and showing up for our people. Initiatives like Maternity Hub, and Work Anniversary Celebrations underscore our commitment to ensuring that every team member feels valued and supported.

Our focus on wellness and mental health also shone through, with screenings, 24/7 mental health resources, and the introduction of the Cost-of-Living Allowance (COLA). We are ensuring that every person feels supported in their personal and professional journey.

Alternative Bank: Redefining Banking with a People-First Culture

In October 2023, Alternative Bank launched as a fully licensed Non-Interest Bank, marking a transformative shift from its predecessor, Sterling Alternative Finance. This rebranding was not just a change of name; it was a reimagination of banking, with a clear mission: to prioritize people and redefine what success looks like in the financial sector. Central to this transformation are the AltNatives, who are driving this cultural shift.

With its Culture Transformation Project, Alternative Bank introduced core values of Execution, Excellence, and Empathy. These values permeate every aspect of its activities, behaviours, decisions, and ways of working. In just one year, growth was fueled by key initiatives such as our internal mobility program, talent programs that empowered Alt Natives to take on impactful, purpose-driven work, and structured recognition platforms including monthly and quarterly rewards and the historic appointment of Korede Demola-Adeniyi as the first female Executive Director further demonstrating the bank's commitment to nurturing and empowering talent.

The Bank's focus on employee well-being was equally notable. Initiatives like the AltHealth Walk, which combined physical activity with a fundraising effort for hunger prevention and education, showcased Alternative Bank's dedication to holistic wellness. Other key programs included a Maternity Hub, extended Paternity Leave, and celebration of milestones for Employee Resource Groups (ERGs) like The Bloom Network for women and The Anchor for men. These initiatives fostered a more inclusive and dynamic workforce.

Alternative Bank also remained committed to talent development, offering employees access to subsidized tuition, professional certifications, and leadership training programs, positioning them for future growth and success.

The Future Ahead: Empowering People Through Artificial Intelligence (AI)

A People-First Future, Powered by AI and Purpose

In 2025, we are not just preparing for the future; we are creating it. With AI as our ally, we're entering a new era where people lead the way, innovation thrives, and every individual has the opportunity to thrive. Our commitment to empowering our people with the tools they need to succeed in a rapidly evolving world is the bedrock of our strategy.

AI is not just about technology; it is about empowering people to do more, be more, and achieve more. The world may change, but our people-first philosophy will always be our greatest strength because together, we are not just shaping the future of banking, but we are defining the future of work.

Group Chairman's Statement

Dear esteemed shareholders, members of the Board of Directors, distinguished stakeholders, ladies, and gentlemen, it is with great pleasure that I welcome you to the second Annual General Meeting of Sterling Financial Holdings Company PLC ('the HoldCo').

Our transition to a holding company structure in 2023, aimed at unlocking new growth opportunities and fostering operational synergy, is already yielding tangible results. With a more agile structure and diversified income streams, we are broadening our reach across the financial services industry. Supported by two nationally licensed banking subsidiaries, Sterling Bank Ltd and Alternative Bank Limited, as well as our recently launched asset management arm, SterlingFi Wealth Management Limited, our strategic expansion continues to deliver value to shareholders and solidify our position as a financial institution of choice.

Macroeconomic & Operating Environment

Despite the ongoing geopolitical tensions in Eastern Europe and the Middle East, which led to elevated freight costs, volatile energy prices, and a slowdown in global trade growth, the global economy demonstrated resilience in 2024, recording a GDP growth rate of 3.2%. Although a slight decline from 3.3% recorded in 2023, this growth was driven by steady consumer demand, increased investments, and easing inflationary pressures, with major economies such as the United States, the United Kingdom, and the Eurozone adopting accommodative monetary policies to stimulate growth.

Similarly, the Nigerian economy faced macroeconomic challenges with inflation reaching a three-decade high of 34.8%, fueled by the removal of petroleum subsidies, currency depreciation, and supply chain disruptions. Food and core inflation peaked at 39.84% and 29.28%, respectively, while the Naira depreciated sharply, falling from N913.94/USD to N1,535.32/USD, a 68% decline year-on-year. Notwithstanding these challenges, the economy has been resilient and has progressed steadily in response to the structural reforms and policy recalibrations by the current administration. These reforms led to real GDP growth of 3.84%, driven by both the oil and non-oil sectors, with the services sector and financial services contributing 57.38% to GDP, reinforcing the economy's shift toward a digitally enabled, service-driven model.

This milestone reflects the trust you have placed in our vision, as well as the Board and Management's ability to deliver on our plans. We remain grateful for your continued confidence in the leadership and direction of the Group.

To address the high inflation, the Central Bank of Nigeria (CBN) adopted a firm monetary policy stance, raising the Monetary Policy Rate (MPR) by a cumulative 875 basis points to 27.50%. The CBN also introduced significant regulatory reforms to bolster financial system resilience. Key amongst these was the recapitalization directive, requiring Banks across different license categories to increase their minimum capital requirements by March 31, 2026. Other measures included the introduction of an FX cash pooling framework for International Oil Companies, a tightening of the net open position limits of Banks to 20% of shareholders' funds, and the adoption of the Electronic Foreign Exchange Matching System aimed at enhancing transparency, FX liquidity, and curbing speculative demand.

While the economy is still fluid, I expect that the reforms being implemented by the fiscal and monetary authorities will continue to support growth in the economy and, particularly, a stronger financial services sector.

Financial Performance & Dividend Proposal

Notwithstanding the challenging economic and operating environment, the Group delivered an outstanding financial performance in 2024, recording a 102.1% growth in profit before tax over the previous year. In line with this strong performance, the Board is pleased to recommend a final dividend of 18 Kobo per share, amounting to N9.38 billion. This translates to a dividend payout ratio of 21.5% and a dividend yield of 3.21%. The resolution for the payment of dividends will be presented to shareholders at the Annual General Meeting on July 11, 2025, and if approved, the dividend will be paid to all qualifying shareholders on the register of shareholders as of July 1, 2025. This proposed dividend reflects our unwavering commitment to balancing sustainable growth with value creation, ensuring that the long-term interest of our shareholders is at the heart of our capital allocation strategy.

Board Update

At Sterling, we believe that strong governance underpins long-term success. In 2024, the CBN approved the appointment of Mr. Ashutosh Kumar as a Non-Executive Director, effective July 29, 2024. Mr. Kumar brings over 23 years of expertise in banking, compliance, and financial reporting. His appointment reinforces our commitment to maintaining a diverse and dynamic Board that upholds ethical leadership, risk oversight, and strategic agility.

Our approach to Board appointments, retirements, and re-elections remains anchored in our Corporate Governance Policy and aligns with evolving regulatory expectations and the dynamic business environment.

Recapitalization Momentum

In response to the CBN's recapitalization directive and in line with shareholders' approval, the HoldCo launched a multi-phase capital raise program aimed at strengthening the capital base of our banking subsidiaries. In the first phase of the capital raise, the HoldCo raised a total of N111 billion out of the N153 billion required to fully capitalize our banking subsidiaries.

This milestone reflects the trust you have placed in our vision, as well as the Board and Management's ability to deliver on our plans. We remain grateful for your continued confidence in the leadership and direction of the Group.

The next phase of our recapitalization plan, a public offer, is expected to open in the coming months and be completed by Q4 2025, well ahead of the regulatory deadline of March 31, 2026. This public offer presents another opportunity to solidify your stake in the Company and demonstrate your firm commitment to our strategic ambitions. We are confident that the Company will continue to record significant success and make valuable returns to shareholders. I therefore encourage you to participate in this pivotal phase of our Company.

Outlook for 2025 & Beyond

Looking ahead, we will continue to seek business expansion and revenue diversification opportunities for the Group, optimize capital allocation across subsidiaries, strengthen asset quality, and deliver sustainable returns.

Appreciation

On behalf of the Board of Directors, I express my sincere appreciation to all stakeholders, our customers, shareholders, regulators, and partners. Your unwavering support, trust, and collaboration drive our continuous innovation and success. To our management and employees, your dedication, resilience, and creativity remain the backbone of our achievements.

Thank you for your attention.

Yemi Adeola
Group Chairman

Group Chief Executive Officer's Statement

Yemi Odubiyi
Group Chief Executive

Dear Shareholders,

It is a privilege to present the Annual Report for Sterling HoldCo for the financial year ended December 31 2024. This report marks our first full-year performance since the commencement of operations in July 2023 and represents a significant milestone in our journey to build a purpose-driven, high-performing financial services group.

From inception, our mandate has been clear: to establish a diversified financial holding company with a disciplined capital structure, strong governance, and scalable businesses. In our first year of operations, we have laid a solid foundation while delivering early signs of financial and strategic momentum.

Financial Performance

The global macroeconomic environment in 2024 remained challenging. Geopolitical tensions, persistent inflation, volatile interest rates, and tight monetary policies across advanced economies weighed heavily on investor sentiment and global trade. Yet, emerging markets like Nigeria demonstrated resilience, driven by policy reforms, digital transformation, and sectoral diversification. Locally, businesses navigated through currency volatility, inflationary pressures, and regulatory shifts, all of which influenced the contours of our operating environment.

Against this backdrop, Sterling Holdco not only remained resilient but also delivered robust financial results, driven by bold strategy

A key highlight of 2024 for the Sterling Group was Sterling Bank's successful migration to Seabaas, Africa's first self-developed, indigenous, cloud-native core banking system.

execution, operational excellence, and deep-rooted customer engagement. The 2024 financial year underscored the strength of our diversified business model as we recorded outstanding financial performance across different metrics.

Total assets expanded by 39.9% to N3.5 trillion while shareholders' funds grew by 66.2% to N305 billion, bolstered by the successful completion of the first phase of our capital raise.

Our profit before tax doubled to N45.9 billion, supported by the resilient performance of our banking subsidiaries. Earnings per share climbed from 75 kobo in 2023 to 151 kobo, underscoring our unwavering commitment to enhancing shareholder returns.

These figures reflect the strength of our underlying businesses and our disciplined approach to capital deployment, even at this early stage of our evolution.

Strategic Highlights & Milestones

The Sterling Group is now anchored on three operationally independent, yet strategically synergistic entities that deliver value across the financial services spectrum:

Sterling Bank Ltd

Our flagship commercial banking arm continued to prioritize the HEART sectors – Health, Education, Agriculture, Renewable Energy, and Transportation. The Bank recorded significant growth, supported individuals, MSMEs, and large corporates through innovative and customer-centric solutions. Lending to these key sectors rose substantially to N238 billion, a 21.6% growth over the 2023 position, reflecting our unwavering commitment to deepening real sector growth and national development.

Sterling Bank received numerous accolades during the year, including MSME Bank of the Year by Economic Forum Series and DBN's Platinum Service Award for its support for youth and women-led enterprises; it was also honored by HR Expo Africa for Excellence in HR Communication Strategy.

Alternative Bank Limited

2024 marked the first full year of operations for Alternative Bank ("AltBank") as an independent, ethical, Non-Interest financial institution. With a strong foundation rooted in values of equity, sustainability, and innovation, the Bank continued to leverage its robust suite of digital offerings to deliver value to its customers and create value in the economy. AltBank reported a return on equity of 42% in 2024, a testament to the hidden values in the business model.

The Bank also earned multiple recognitions, including Best MSME Financial Inclusion Bank (Non-Interest Banking) at the Nairametrics MSME Finance Awards and Most Innovative Bank of the Year by the Leadership Group. In the digital sphere, AltBank was celebrated with the Trailblazer in Marketing Automation award at the Martech Excellence Awards, further reinforcing its position at the forefront of ethical and technology-driven finance.

SterlingFi Wealth Management Limited

Our newly established asset management subsidiary, SterlingFi, represents our foray into specialized investments and wealth management. It is positioned to launch bespoke funds focused on the HEART sectors, alternative investments, and corporate restructuring, offering clients differentiated products and enhancing our non-banking revenue streams. In line with our strategy, we will continue to seek revenue diversification opportunities and allocate capital in a disciplined manner to enhance value to shareholders.

Seabaas

A key highlight of 2024 for the Sterling Group was Sterling Bank's successful migration to Seabaas, Africa's first indigenous, cloud-native core banking system. Seabaas enhances operational efficiency, security, and scalability while enabling the seamless rollout of next-generation financial services. The adoption of Seabaas will support one of the Bank's strategies to substitute foreign currency-denominated costs, reducing its exposure to exchange rate fluctuations.

Recapitalization

The Banking sector recapitalization-induced capital raise presented a unique opportunity to further strengthen the position of our Banking subsidiaries. Further to your approval at the 2023 annual general meeting, I am pleased to report that we have completed two rounds of capital raise within our two-phased capital raise strategy.

In December 2024, we completed a N75 billion private placement and obtained the relevant regulatory approvals to recognize the proceeds from this raise as capital. Similarly, in October 2024, we closed a N28.79bn Rights Issue, which was significantly oversubscribed by you, our shareholders. The successful completion of the first phase of this capital raise is a strong validation of our strategy and the group's long-term prospects.

Following receipt of the relevant regulatory approvals and the distribution of the proceeds from the capital raise to our banking subsidiaries, Alternative Bank has fully complied with its minimum regulatory capital requirement, while Sterling Bank will only require an additional N43 billion to retain its current license. This would be completed in the HoldCo's public offer planned for Q3 2025.

Building on the momentum of the first phase of the capital raise, the Management team is confident that with your support and that of the general public, the Company will successfully close the public offer, fully recapitalize our banking subsidiaries by Q4 2025, and be better positioned for further expansion.

Leadership, People & Culture

The remarkable strides we achieved in 2024 would not have been possible without the exceptional people driving our progress. During the year, we deepened our culture of excellence through substantial investments in leadership development and capacity building. We elevated a new generation of leaders, individuals who exemplify our core values of integrity, innovation, and ownership, into senior roles across the Group, positioning them to lead our expanding businesses into the future.

Our recognition as Nigeria's 2nd Overall Best Workplace for Large Corporations underscores our unwavering commitment to cultivating a workplace where talent is nurtured, leadership is empowered, and individuals are inspired to thrive. At Sterling, we see culture not just as a reflection of who we are, but as a true competitive advantage, and in 2024, it remained a defining force behind our sustained success.

Governance, Risk & Sustainability

As a regulated financial holding company, we have significantly enhanced our enterprise risk management (ERM) framework to reflect the distinct risk profiles of each of our subsidiaries while maintaining a robust, unified oversight structure at the Group level. This integrated approach enables us to proactively identify, assess, and mitigate emerging risks, preserving our financial resilience and ensuring alignment with our long-term strategic objectives.

In 2024, we also made meaningful strides in advancing our Environmental, Social, and Governance (ESG) agenda. Anchored by a data-driven framework, we sharpened our focus on key areas including climate-related risk management, financial inclusion, gender equity, and decarbonization. Our ESG disclosures are now more closely aligned with international standards and local regulatory requirements, reinforcing our role as a transparent and responsible leader in sustainable finance.

Notable initiatives during the year included funding of renewable energy projects that promote a cleaner, low-carbon future; dedicated support for women-led enterprises across various sectors; and embedding ESG screening into our lending and investment processes to ensure responsible capital allocation.

These initiatives reflect our belief that financial performance must go hand-in-hand with environmental stewardship and social impact.

Looking ahead, we remain resolute in our ambition to achieve net-zero emissions, deepen stakeholder engagement, and embed sustainability at the heart of our strategy. We are building a resilient, future-ready institution, one that thrives at the intersection of performance, purpose, and enduring value creation.

Outlook: Scaling with Purpose

Looking ahead, our focus will be on deepening integration across the Group, driving cost synergies, and unlocking new revenue streams. While the macroeconomic environment remains fluid, we are entering this next phase with a fortified balance sheet, a clearly defined strategy, and high-growth platforms in place.

We will remain disciplined in our capital allocation, agile in execution, and proactive in managing regulatory and market risks with the goal of building a financial services group that delivers sustainable growth and superior returns.

Appreciation

To our shareholders, thank you for your confidence, especially during this formative stage. To our regulators and partners, we appreciate your guidance and engagement and to our Board and employees, your commitment, insight, and execution have been instrumental in positioning us for success.

We look forward to continuing this journey with you as we unlock long-term value and build an institution with resilience, relevance, and results at its core.

Thank you.

Yemi Odubiyi
Group Chief Executive

Performance Review

Performance Highlights

Metrics	2024 N'M	2023 N'M	% Growth
Total Assets	3,541,940	2,531,092	39.9%
Loans and Advances	1,103,970	895,822	23.2%
Customer Deposits	2,518,512	1,842,815	36.7%
Total Equity	305,159	183,604	66.2%
Gross Earnings	337,192	221,773	52.0%
Net Interest Income	134,806	83,384	61.7%
Non-Interest Income	68,002	56,821	19.7%
Profit Before Tax	45,862	22,693	102.1%
Profit After Tax	43,675	21,584	102.3%
EPS (Kobo)	151	75	101.3%

Statement of Comprehensive Income

The financial performance for the year ended December 31, 2024, reflects strong growth and marked operational improvement across key income and profitability metrics. This performance underscores the strength of our business model, the effectiveness of our customer-centric strategy, and our sustained commitment to innovation.

	2024		2023		Growth
In millions of naira	**N'm**	**% of Total**	**N'm**	**% of Total**	**% Change**
Gross earnings	**337,192**	**100.0%**	**221,773**	**100.0%**	**52.0%**
Interest income	258,818	76.8%	156,102	70.4%	65.8%
Interest expense	(124,012)	(35.8%)	(72,718)	(32.8%)	70.5%
Net interest income	**134,806**	**40.0%**	**83,384**	**37.6%**	**61.7%**
Net Fees & commission income	33,928	10.1%	26,106	11.8%	30.0%
Net trading income	15,653	4.6%	20,794	9.4%	(24.7%)
Other operating income	18,421	5.5%	9,921	4.5%	85.7%
Non-interest income	**68,002**	**20.2%**	**56,821**	**25.6%**	**19.7%**
Operating Income	**202,808**	**60.1%**	**140,205**	**63.2%**	**44.7%**
Impairment charges	(10,784)	(3.2%)	(12,335)	(5.6%)	(12.6%)
Net Operating Income	**192,024**	**56.9%**	**127,870**	**57.7%**	**50.2%**
Personnel expenses	(31,327)	(9.3%)	(22,982)	(10.4%)	36.3%
Operating expenses	(87,436)	(25.9%)	(59,474)	(26.8%)	47.0%
Depreciation & amortization	(5,625)	(1.7%)	(4,814)	(2.2%)	16.8%

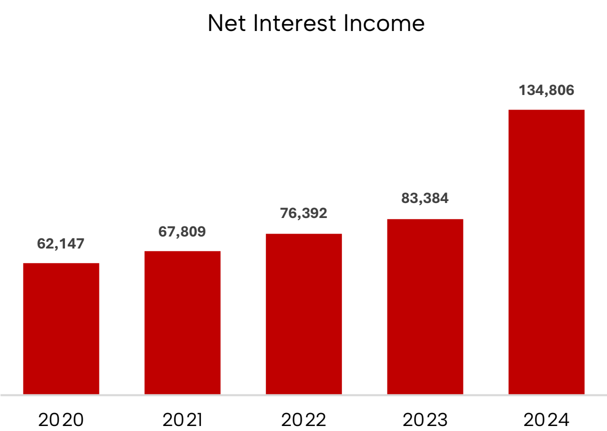
	2024		2023		Growth
In millions of naira	**N'm**	**% of Total**	**N'm**	**% of Total**	**% Change**
Other property, plant and equipment	(21,774)	(6.5%)	(17,907)	(8.1%)	21.6%
Total expenses	**(146,162)**	**(43.3%)**	**(105,177)**	**(47.4%)**	**39.0%**
Profit before income tax	**45,862**	**13.6%**	**22,693**	**10.2%**	**102.1%**
Income tax expense	1,496	0.4%	(1,109)	0.5%	234.9%
Windfall tax	(3,683)	1.1%	-	-	(100%)
Profit after income tax	43,675	13.0%	21,584	9.7%	102.3%

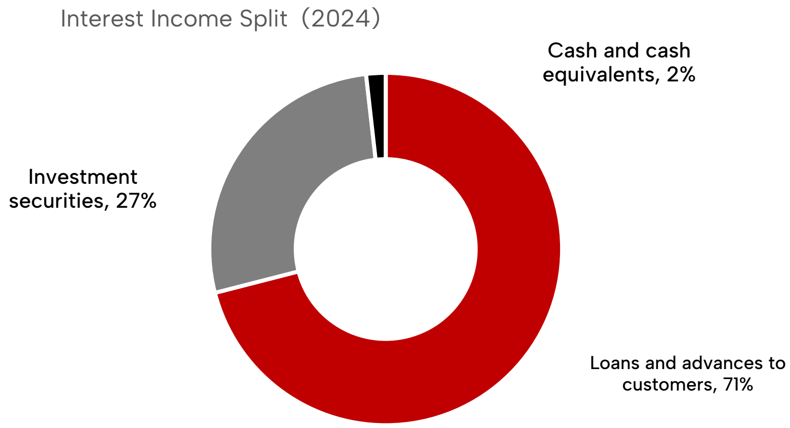
Sustained Momentum in Gross Earnings

The Group recorded a 52% year-on-year growth in gross earnings, rising from N221.77 billion in 2023 to N337.19 billion in 2024. This impressive performance was largely driven by a 65.8% surge in interest income, reflecting increased lending activities and enhanced asset yields.

Over the five-year period from 2020 to 2024, the Group maintained an upward trajectory in gross earnings, recording a compound annual growth rate (CAGR) of 20%. Gross earnings rose from N135.84 billion in 2020 to N337.19 billion in 2024, underscoring the resilience of our revenue base and the scalability of our operating model.

Our non-interest revenue streams also remained resilient and continued to contribute significantly to the Group's earnings profile. Non-interest income rose by 19.7% year-on-year, supported by a 30.0% growth in net fees and commission income and an 85.7% increase in other operating income.





Interest Income

The Group's total interest income grew by 65.8%, rising from N156.10 billion in 2023 to N258.82 billion in 2024. This growth was driven by improved yields across the asset portfolio and the strategic expansion of core earning assets. Interest income from loans and advances to customers rose by 50.3% to N183.76 billion (2023: N122.26 billion), supported by higher loan disbursements and improved yields.

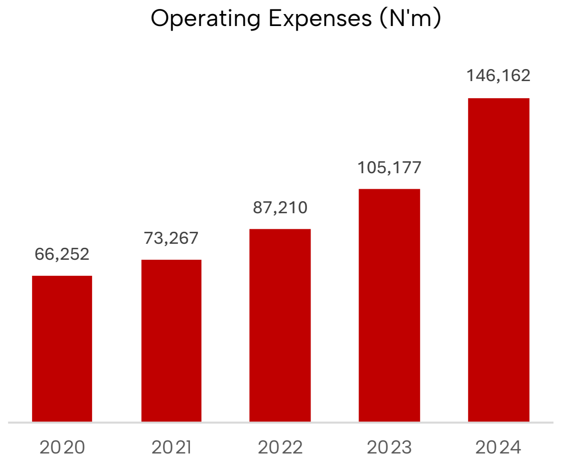
In addition, interest income from investment securities surged by 127.5% to N70.44 billion (2023: N30.95 billion), reflecting our strategic asset allocation to higher-yielding instruments in response to prevailing market conditions. Interest earned from cash and cash equivalents also increased by 59.6%, benefiting from elevated returns on short-term placements in a high-interest rate environment.

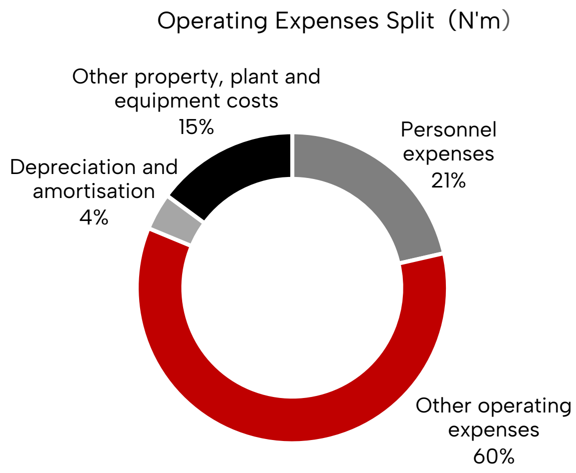
The Group successfully leveraged market dynamics to drive growth in interest-generating assets. As a result, the average yield on earning assets improved by 3.9% to 16.4% (FY 2023: 12.5%), while the cost of funds increased moderately by 0.97% to 4.97% (FY 2023: 4.0%), reflecting a well-managed deposit pool.

Operational Efficiency Across the Group

The Group's total operating expenses rose by 39% to N146.2 billion in 2024 (FY 2023: N105.17 billion), reflecting a compound annual growth rate (CAGR) of 17.3% over the period 2020–2024. This increase is attributed to the Group's expanding scale of operations, continued investments in growth initiatives, and the impact of inflationary pressures. Meanwhile, operating income advanced by 44.7% to N202.8 billion in 2024, up from N140.2 billion in 2023, supported by a 12.6% decline in impairment charges, an indication of enhanced credit quality and prudent risk management. As a result, net operating income grew by 50.2%, outpacing the 39% rise in total operating expenses, despite the inflationary environment.

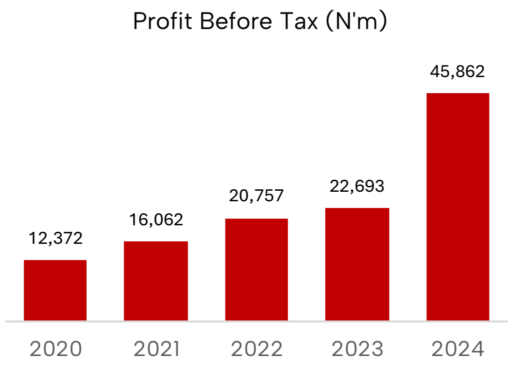
We continued to maintain a strong focus on cost discipline while investing in long-term growth opportunities, as evidenced by the improvement in our cost-to-income ratio of 72% in 2024, down from 75% in the prior year.

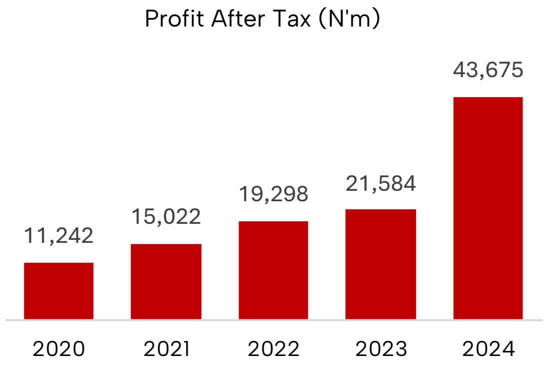




Profitability

Overall, the Group sustained a growth momentum as Profit before Tax more than doubled, to N45.86 billion, up from N22.69 billion in the previous year. After accounting for income and windfall tax charges, Profit after Tax stood at N43.68 billion, representing a 102.3% increase year-on-year while Return on Average Equity (ROAE) and Return on Average Asset improved to 17.9% and 1.4% respectively.



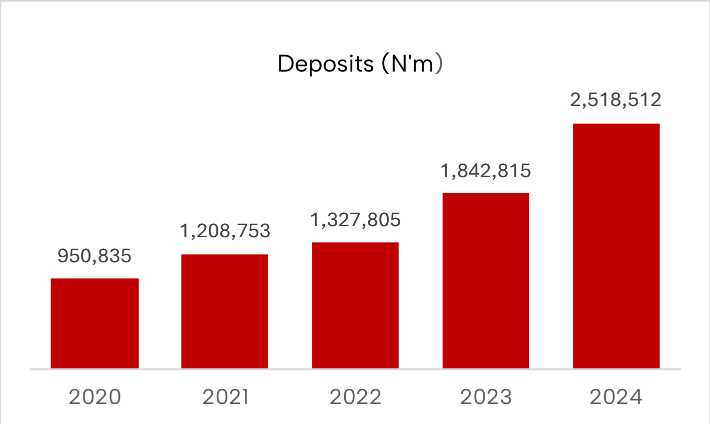


Statement of Financial Position

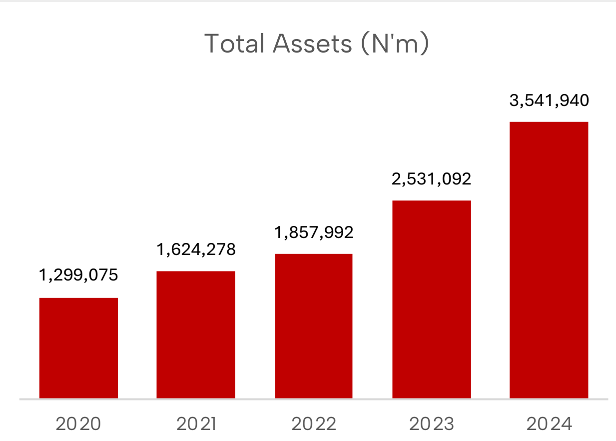
	2024		2023		Growth
Assets	**N'm**	**% of Total**	**N'm**	**% of Total**	**% Change**
Cash & balances with CBN	867,125	24.5%	604,599	23.9%	43.4%
Due from banks	569,455	16.1%	234,953	9.3%	142.4%
Pledged financial assets	28,675	0.8%	11,272	0.4%	154.4%
Derivative financial assets	0	0.0%	276	0.0%	(100.0%)
Loans and advances	1,103,970	31.2%	895,822	35.4%	23.2%
Investment securities	643,024	18.2%	485,952	19.2%	32.3%
Other assets	219,964	6.2%	242,110	9.6%	(9.1%)
Right-of-use asset	12,106	0.3%	9,103	0.4%	33.0%
Investment property	4,036	0.1%	4,790	0.2%	(15.7%)
Property, plant and equipment	56,974	1.6%	31,987	1.3%	78.1%
Intangible assets	3,263	0.1%	721	0.0%	352.6%
Deferred tax assets	33,348	0.9%	9,507	0.4%	250.8%
TOTAL ASSETS	**3,541,940**	**100.0%**	**2,531,092**	**100.0%**	**39.9%**

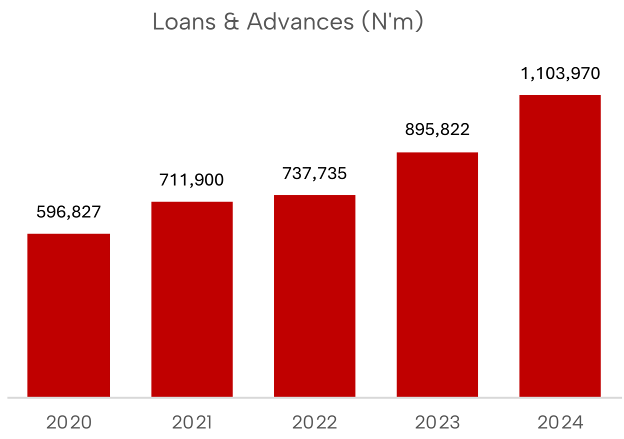
Liabilities	**N'm**	**% of Total**	**N'm**	**% of Total**	**% Change**
Deposits from Banks	49,364	1.4%	0	0.0%	100%
Deposits from customers	2,518,512	71.1%	1,842,815	72.8%	36.7%
Current income tax payable	3,382	0.1%	1,468	0.1%	130.4%
Other borrowed funds	213,834	6.0%	208,685	8.2%	2.5%
Debt securities issued	34,056	1.0%	33,959	1.3%	0.3%
Other liabilities	396,727	11.2%	257,910	10.2%	53.8%
Provisions	576	0.0%	724	0.0%	(20.4%)
Deferred tax liabilities	20,330	0.6%	1,927	0.1%	995.0%
Total Liabilities	**3,236,781**	**91.4%**	**2,347,488**	**92.7%**	**37.9%**
Equity	**305,159**	**8.6%**	**183,604**	**7.3%**	**66.2%**
Total Liabilities and Equity	**3,541,940**	**100.0%**	**2,531,092**	**155.8%**	**39.9%**

The Group continued to strengthen its balance sheet by strategically reinforcing its funding base, with customer deposits rising by 36.7% to N2.52 trillion as of December 2024. This remained the dominant funding source, accounting for 71% of total liabilities and equity. The growth reflects enhanced customer confidence, effective deposit mobilization, and strong liquidity management.



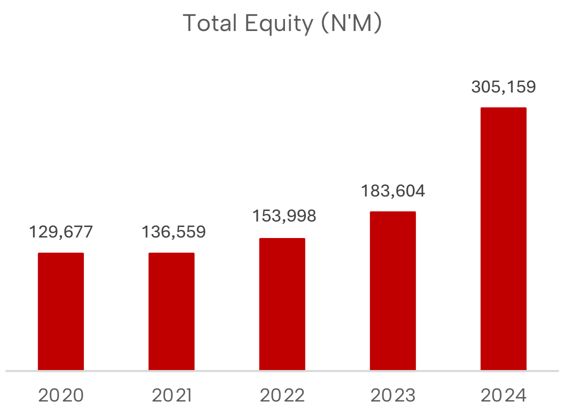
The Group's total assets grew by 39.9%, rising from N2.53 trillion in 2023 to N3.54 trillion in 2024. This robust expansion was primarily fueled by growth in loans and advances as well as investment securities. Loans and advances increased by 23.2%, from N895.82 billion to N1.10 trillion, underscoring strong credit growth and enhanced customer financing activities. Similarly, investment securities recorded a 32.3% increase.

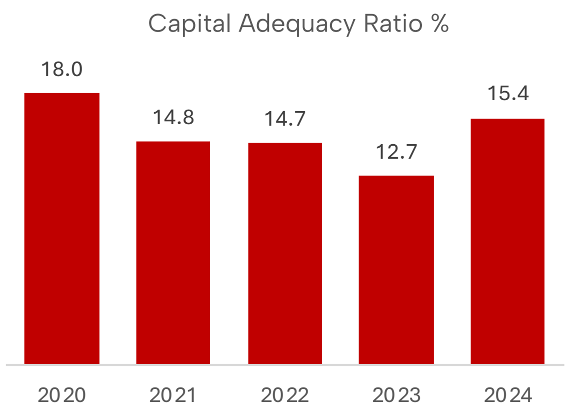




Total equity rose by 66.2%, from N183.60 billion in 2023 to N305.16 billion in 2024, reflecting improved retained earnings and capital injections. The equity-to-assets ratio also improved from 7.3% to 8.6%, strengthening the Group's capital base and financial soundness. We maintained a strong capital adequacy ratio at 15.43% (December 2023: 12.51%), and solid liquidity ratio at 35.18% significantly above the regulatory requirement.

Overall, the Group's financial position in 2024 underscored a well-executed strategy centered on ethical financial services, customer growth, and investment in sustainable banking.





Diversified Loan Growth Across Strategic Sectors

The Group delivered a strong and well-diversified loan growth in 2024, with the total gross loan portfolio expanding by 23.2% year-on-year from N926.47 billion in 2023 to N1.14 trillion. This growth underscores the Group's ongoing commitment to supporting key sectors of the economy, maintaining a diversified credit portfolio, and aligning lending activities with strategic growth sectors. The portfolio remained well-positioned in line with national economic priorities, notably in agriculture, manufacturing, infrastructure, and ICT.

With improvement in credit quality, sustained emphasis on portfolio diversification, and robust credit risk management, the Group's non-performing loan (NPL) ratio stood at 5.00%, reflecting the effectiveness of proactive risk mitigation measures despite a challenging economic environment.

Performance of Subsidiaries

Sterling Bank Ltd

The 2024 financial year was characterized by sustained growth, solid profitability, and the effective execution of strategic initiatives. The Bank achieved remarkable performance, underpinned by strong capital adequacy, expanded lending activities, robust deposit mobilization, and improved earnings.

Total assets grew by 34.7%, while total equity recorded a substantial increase of 65.4%. Profit after tax also rose significantly by 50.8%, reflecting the Bank's operational efficiency and financial resilience.
With this improved performance, the Bank is well-positioned to sustain its growth trajectory, accelerate innovation, and continue delivering superior value to shareholders and stakeholders in the years ahead.

Below are the key performance highlights of Sterling Bank:

Metrics	2024 N'm	2023 N'm	% Growth
Total Assets	3,262,218	2,421,369	34.7%
Loans and Advances	1,062,623	862,699	23.2%
Customer Deposits	2,361,995	1,747,510	35.2%
Total Equity	265,276	160,355	65.4%
Gross Earnings	296,961	211,561	40.4%
Net Interest Income	122,717	80,040	34.8%
Non-Interest Income	58,258	60,998	(4.5%)
Profit Before Tax	**31,524**	**21,237**	**48.4%**
Profit After Tax	**30,766**	**20,398**	**50.8%**

Alternative Bank Limited

The Bank recorded impressive growth in 2024 financial performance, reflecting the increasing trust in the business model and the market's appetite for value-based banking. More importantly, Alternative Bank continued to focus on enabling financial inclusion, supporting sustainable enterprises, and fostering business development through ethical financial offerings.

Below are the key performance highlights of Alternative Bank:

Metrics	2024 N'm	2023 N'm	% Growth
Total Assets	307,507	182,720	68.3%
Customer Deposits	71,699	136,035	(47.3%)
Total Equity	23,944	14,542	64.6%
Gross Earnings	35,759	20,418	75.1%
Net Income	23,120	11,712	97.4%
Profit Before Tax	**10,431**	**5,304**	**96.7%**
Profit After Tax	**10,085**	**4,779**	**111.0%**

The Income statement figures for 2023 are annualized.

Sustainability Report

Introduction

The 2024 Sterling Financial Holdings Company Plc Sustainability Report offers a comprehensive disclosure of our Environmental, Social, and Governance (ESG) performance, reaffirming our commitment to sustainable business practices, ethical banking, and responsible corporate governance.

This report details the sustainability initiatives of Sterling Bank and Alternative Bank over the past year, providing insights into our strategic priorities, achievements, challenges, and future objectives. By embedding sustainability at the heart of our corporate strategy, we ensure that our decisions align with our long-term vision of financial resilience, environmental stewardship, and social impact.

This report also marks a significant milestone as Alternative Bank's inaugural sustainability disclosure, reflecting our pioneering role in disrupting ethical banking and alternative finance. Through the integration of innovation and technology, Sterling Financial Holdings Company Plc continues to redefine industry standards for sustainability-driven financial solutions, reinforcing our position as a leader in responsible and impact-oriented banking.

Our sustainability reporting follows a rigorous, transparent, and standardized approach, ensuring alignment with both national and internationally recognized frameworks. We adhere to key global and local disclosure guidelines, including but not limited to the Nigerian Sustainable Banking Principles (NSBPs), Global Reporting Initiative (GRI) Standards, International Financial Reporting Standards (IFRS S1 & S2), United Nations Global Compact (UNGC), Sustainable Development Goals (SDGs), Task Force on Climate-related Financial Disclosures (TCFD), and the Nigerian Exchange (NGX) Sustainability Disclosure Guidelines. Additionally, we incorporate the International Finance Corporation (IFC)

Performance Standards, the Equator Principles, and the Greenhouse Gas (GHG) Protocol, ensuring that our sustainability disclosures meet global best practices, regulatory expectations, and evolving industry benchmarks.

This structured reporting framework provides a measurable, accountable, and transparent mechanism for assessing our environmental impact, social contributions, and governance performance, reinforcing our commitment to responsible and sustainable banking.

Guided by our H.E.A.R.T. strategy—Health, Education, Agriculture, Renewable Energy, and Transportation, this report outlines how we have institutionalized sustainability principles across our operations. Our reporting methodology involves a systematic evaluation of ESG performance, including assessments of environmental footprint, social investments, governance structures, and risk management frameworks. Through this structured approach, we actively track carbon emissions, energy consumption, waste management, financial inclusion initiatives, gender equity programs, and ethical banking practices, ensuring continuous improvement, accountability, and alignment with sustainability goals.

Recognizing the increasing risks associated with climate change, we have integrated climate risk management into our ESG framework, ensuring that our financial operations remain resilient and adaptive to evolving climate-related challenges. Our approach involves proactive assessment of climate-related financial risks, regulatory changes, and shifting market dynamics, strengthening our ability to support the transition to a low-carbon economy while safeguarding the interests of our stakeholders.

Beyond our internal ESG performance, this report highlights our stakeholder engagement and corporate social responsibility (CSR) efforts, showcasing our collaboration with regulators, investors, customers, communities, and industry partners. We actively incorporate stakeholder feedback, adjust to evolving sustainability standards, and refine our Environmental and Social Risk Management (ESRM) framework to ensure that all financed projects align with responsible lending practices and impact-driven financing principles.

Our commitment to contributing to net-zero emissions underscores our unwavering dedication to environmental stewardship. Through targeted decarbonization initiatives, we continue to reduce our carbon footprint, enhance energy efficiency, and promote the adoption of renewable energy solutions. These efforts form a critical component of our broader sustainability strategy, supporting global net-zero transition goals while reinforcing our leadership in sustainable finance.

The 2024 Sustainability Report serves as both a comprehensive reflection of our progress and a strategic blueprint for the future. By tracking, evaluating, and transparently communicating our sustainability performance, we uphold regulatory compliance while advancing our broader mission of corporate responsibility and ethical banking. As we continue to refine our reporting processes, enhance governance structures, and deepen our ESG commitments, we remain steadfast in our vision to set new benchmarks for sustainable and responsible banking, driving meaningful impact for our stakeholders and the broader financial ecosystem.

Our Sustainability Journey and Key Achievements

Key Highlights and Achievements

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

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

- Commenced the onsite Environmental & Social risk assessment of credit requests.
- Successful adoption of a Waste Recycling initiative at the Head Office, Sterling Towers, in partnership with LAWMA and Wecyclers Limited.
- Launched the Market Women Quick Cash scheme at Kaduna in partnership with Afrigrants where over fifty (50) women were trained on financial literacy.
- Commencement of a Tree Planting Campaign where over 700 trees were planted to help tackle desertification in the northern region of Nigeria.
- Launched the e-Money Box to encourage a savings culture and financial literacy for children.
- Commencement of Uber for Business service which reduced the acquisition of company fleet by 27%.
- Established a “Flexi-Plan” and “Flexi-Place” initiative for staff to achieve a desirable work-life balance.

- Launched the “One Woman” proposition – an initiative focused on supporting women in business by granting them access to market and finance.
- Established a Recyclart competition to create further awareness around waste management practices such as recycling and upcycling. In the maiden edition, four (4) winners from the four (4) geo-political zones were awarded N1Mn each for creating unique sculptures and artworks from recyclable materials.
- Extension of Waste Management partnership to ten (10) states, providing branded kits for over 10,000 street sweepers as part of the initiative.
- Commemorated World Environment Day by encouraging all staff to plant a tree, and the organization of an event to recognize and award several environmental champions
- Commenced the implementation of paper consumption reduction strategies such as “Print-as- a-Service”.
- Implemented a medical insurance scheme for staff with leading Health Management Organizations (HMOs) to enhance qualitative medical care.
- Awarded the Bank of the Year in Women Economic Empowerment in the 1st edition of the 2017 Nigeria Sustainable Banking Awards organized by the Central Bank of Nigeria (CBN) and the 2017 Nigeria Sustainable Banking Awards for Financial Inclusion organized by SERAS-CSR Awards.

- Expansion of our Environmental and Social (E&S) risk assessment to eight additional sectors.
- Deployment of hybrid power and renewable energy to twenty-five (25) additional branches, bringing the total number of branches on hybrid power and renewable energy to 46.
- Commissioned 130 solar-powered ATMs bank-wide.
- Disbursed N89 billion worth of credit and other financial products to four (4) key sectors that directly contribute to the achievement of the United Nations Sustainable Development Goals (SDGs) - Health, Education, Agriculture, and Transportation.
- Expansion of our waste recycling initiative to our Head Office Annex location where we recorded a 20.66% increase in categorized waste recycling from 6,432kg in 2017 to 7,761kg in 2018.
- Achieved a 1.84% reduction in carbon emissions by reducing the usage of diesel, petrol, and compressed natural gas (CNG) by 8.72%, 2.48%, and 71.78% respectively.
- Provision of over N2.88 billion grants to over 650 micro, small, and medium scale (MSMEs) businesses.
- Disbursed 2,381 retail loans with a value of N2.2 billion to women (MSMEs and Individuals), as part of our commitment to Women Economic Empowerment.
- Expended N764 million on employee capacity building.
- Invested N299.1 million in community development initiatives.
- Established a set of distinct behavioral codes for employees as part of our efforts to drive organizational change.

- Allocated 15% (N93 billion) of the entire loan portfolio to the HEART (Health, Education, Agriculture, Renewable Energy, and Transportation) sectors that directly contribute to the achievement of the Sustainable Development Goals.
- Provision of over 13,900 credit facilities to women with a corresponding value surpassing N10.865 billion.
- 67.14% increase in transaction count screened for Environmental and Social Risk.
- Over N7.632 billion credits were granted to over 1,200 Micro, Small, and Medium scale (MSME) businesses.
- Expended N827 million on employee capacity building.
- 1480 man-hours devoted to volunteering activities.
- 10.87% increase in the number of female employees in the workforce, increasing the percentages of female employees in the workforce to 45%, with 32% and 25% representation at Senior Management and Board levels, respectively.
- N245.8 expended on community initiatives.
- Over 112% increase in categorized waste recycling from 7,761kg in 2018 to 16,489kg in 2019.
- Commemoration of the World Clean-up Day with environmental clean-up exercises in Lagos, FCT, Oyo, Kwara, Rivers, Plateau, Gombe, Kaduna, Kogi States, amongst others.
- Deployment of Integrated Waste Treatment/ Biodigester Systems to additional three (3) locations.
- 17.5% increase in the number of business locations on the hybrid power model.

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

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

- Obtained Environmental Audit Report and Environmental Management Plan certifications for all Bank locations in line with the National Environmental Standards and Regulations Enforcement Agency (NESREA) mandate.
- Completed the installation of a 955 kilowatts peak (kWp) Building Integrated Photovoltaic (BIPV) solar retrofit system on the Sterling Towers, which will source cleaner energy from the sun to power the towers.
- Attained a 35.4% growth in the deployment of solar-powered ATMs at various locations nationwide.
- Obtained a Certificate of Recycling for the collection and recycling of sixty-eight (68) 12V, 200Ah Used Lead Acid Batteries (ULABs) under the Extended Producer Responsibility Programme (EPR) of NESREA, in partnership with the Alliance of Responsible Battery Recycling (ARBR), an accredited Producer Responsibility Organization.
- Commenced the Climate physical and transition risk analysis of the Bank's loan book in alignment with the Task Force for Climate Financial Disclosures (TCFD) recommendations.
- Commenced the development of a robust ESG reporting & monitoring platform project for real- time ESG performance measurement, benchmarking, and reporting.
- Development of an E&S risk categorization model and ESG risk rating tool to assess and improve customer's ESG performance and reduce our loan portfolio exposure to ESG risks.
- Increase in investments by 26%, from N116.7 billion in 2021 to N158.9 billion in 2022, in the five (5) focus sectors – Health, Education, Agriculture, Renewable Energy, and Transportation (HEART) sectors.

- Obtained EDGE Advanced Certification for the Sterling Towers, issued by the IFC – WBG.
- Obtained Certificate of Recycling for the collection and recycling of thirty (30) 12V, 200Ah Used Lead Acid Batteries (ULABs) in partnership with the Alliance of Responsible Battery Recycling (ARBR) an accredited Producer Responsibility Organization, under the Extended Producer Responsibility Programme (EPR) of NESREA.
- Conducted a Physical and Transition Risk Analysis of the Bank's loan book in alignment with the Task Force for Climate-related Financial Disclosures (TCFD) recommendations and Partnership for Carbon Accounting Financial (PCAF) methodology.
- Successfully hosted the Nigerian Sustainable Banking Principles (NSBP) champions monthly meeting (October 2023) at the Sterling Towers, with the participation of champions from leading commercial banks, following CBN and the Bankers' committee mandate on Sustainable banking practices.
- Attained a 35% increase in our H.E.A.R.T Sectors investments, following a record of N196.28 billion in 2023 from N145.38 billion in 2022 year-end.
- Collaboration and partnership with Sterling One Foundation and Giving.ng on the execution of Corporate Social Responsibility projects and events, such as hosting the African Social Impact Summit (ASIS) summit, 5km Race-Run for Her campaign, National clean-up day, World Environment Day commemoration and co-host of the beach clean-up activity, among others.
- Deployment of the ESG reporting & monitoring platform targeted at providing real-time data optimization, visualization, ESG performance measurement, benchmarking, and reporting.
- Improvement in the Bank's women's economic empowerment strategies resulting in increased loans to women-owned businesses, and in capacity development programmes for female employees.
- Achieved a 5% increase in the deployment of alternative energy (solar power) at various branch locations.

- Completed the second cycle of obtaining Environmental Audit Reports and Environmental Management Plan certifications for all business locations, in full compliance with NESREA's mandate.
- Developed and operationalized a sustainable finance framework at the Conventional Banking subsidiary to guide climate-aligned investments
- Appointed the Group's first female Executive Director, marking a significant milestone in advancing gender diversity and inclusion at the leadership level
- Achieved a 45:55 female to male employee composition across the workforce, reflecting our commitment to fostering an equitable and inclusive workplace for all employees.
- Facilitated $1 billion in healthcare investment discussions at ASIS 2024, focusing on pharmaceutical manufacturing, digital health, and workforce development.
- Increased female tech workforce to 34% (14% growth from 2023).
- Successfully carried out the maiden edition of the Sterling Momship Program aimed at empowering full-time moms. Onboarded 7 female tech specialists and 16 moms through the Program
- Attained a 27% increase in our H.E.A.R.T Sectors investments, following a record of N248.43 billion in 2024 from N196.28 billion in 2023 year-end.
- Launched the WASH Innovation Challenge with Self Help Africa & Federal Ministries, engaging 5,000+ NYSC Corps members in sanitation solutions.
- Facilitated over $100 million in investment commitments for feed, fodder, and livestock production at the Agriculture Summit Africa (ASA) 2024.
- Sterling's Bloom Network empowered 300+ female students with mentorship, financial literacy, and career guidance.
- Supported International White Cane Day 2024, opening 100+ accounts for visually impaired individuals to enhance financial inclusion.
- Hosted the first edition of National Sustainability Week (NSW) 2024, which drove national impact with 800+ applications for the flagship Green Innovation Challenge (GIC), N4 million in grants disbursed, and 816 applicants engaged for business development; it also reached 1 million+ social media users, trained 300+ entrepreneurs and social enterprises on green financing and impacted 1,150 students through Climate Education, awarding N300,000 in prizes.
- As part of NSW 2024, led the collection of over 2,600kg of waste across 18 states in Nigeria.
- Convened the National Sustainability Lecture, which attracted over 350 participants, all of whom received certificates from the Climate Africa Media Initiative Centre (CAMIC).
- Achieved an 8% increase in deploying alternative energy (solar power) at various business locations.
- Achieved 29% water savings at Sterling Towers and enhanced paperless banking initiatives to minimize environmental impact.

2024 Sterling Awards

MSME Bank of the Year

MSME Finance Awards
The Economic Forum Series
and Naira metrics

Excellence in HR Communication Strategy

HR Expo Africa Work
Festival 2024

**Fun & Friendly Workplace;
2nd Overall Best Workplace in Nigeria
(Large Corporates);
High Trust Culture.**

Great Place To Work

Highest Impact on Youth, Highest Impact on Women MSMEs

Development Bank of Nigeria BN
Platinum Service Awards

Award for Excellent Commitment to Disability Inclusion in Nigeria

National Commission for
Persons with Disabilities

Best MSME Financial Inclusion (Non-Interest Banking)

Nairametrics MSME Finance
Award 2024

Trailblazer Marketing Automation

Martech Excellence Awards,
Nigeria 2024 by Netcore and
Axon Analytics

Multi-Millionaire's Club Award

Ikoyi Golf Club, The Nigeria
Cup 2024

Environmental Dimension

As an organization deeply committed to environmental stewardship, we recognize the profound responsibility we bear in safeguarding the planet for future generations. Our approach to sustainability is dynamic and responsive, evolving to meet the ever-changing demands of the global environmental landscape. We are dedicated to embedding sustainable practices into every facet of our operations, ensuring that our business activities not only minimize negative environmental footprints but also contribute positively to the environment.

In 2024, we once again reaffirmed this commitment to environmental sustainability by rigorously adhering to all applicable laws, regulations, and industry standards. Notably, to better understand our environmental impact and fulfill regulatory obligations, we conducted a thorough Environmental audit of all our locations. This audit highlighted critical areas where our operations intersect with environmental concerns, particularly greenhouse gas (GHG) emissions, waste management, and water management. We realized several action plans to aid us improve our practices and carry out our business more responsibly from an environmental standpoint. Armed with these insights, we developed and implemented targeted strategies to address these challenges, to minimize our ecological footprint.

Another key focus of our efforts was the reduction of GHG emissions, a cornerstone of our overall sustainability goal. We further explored innovative solutions and adopted cutting-edge practices to enhance the efficiency and sustainability of our operations. Our dedication to excellence in this area was manifested through our year-on-year overall emissions reduction.

Beyond our internal initiatives, we actively support external green projects, including renewable energy development, sustainable agricultural practices, and eco-conscious infrastructure. We also place a strong emphasis on stakeholder engagement, fostering awareness and understanding of environmental issues. Through education and advocacy, we aim to inspire collective action and empower our stakeholders to make sustainable choices that benefit both the planet and society.

Carbon Footprint Management at Sterling Financial Holdings Company Plc

The unchecked release of greenhouse gases (GHG) remains a significant obstacle in the global effort to combat climate change. Recognizing this, we have prioritized the consistent monitoring and reduction of our operational GHG emissions. Our commitment to this cause is reflected in our recent achievements, which demonstrate a steady decline in emissions over time.

In 2020, we established an ambitious three-year target at our Sterling Bank subsidiary to reduce overall emissions by 10% by 2023. Not only did we meet this goal, but we also surpassed it, achieving a remarkable 22.6% reduction between 2021 and 2022, followed by an additional 0.8% reduction between 2022 and 2023. Building on this success, we remain steadfast in our efforts to maintain and enhance our reduction strategies across the group, with the ultimate aim of achieving net-zero operational emissions in alignment with global climate objectives. For this reason, we are developing a strategy that will see us follow a properly structured pathway to net zero by 2050 with intermediate targets in between.

For our financed emissions, i.e. scope 3 emissions that result from our financing activities, we already have Renewable Energy amongst our priority sectors (HEART) at our commercial banking subsidiary, which contributes greatly to climate mitigation efforts. We also plan in our new strategy, to reduce our exposure to fossil fuel sectors and other high emissions intensity sectors as well as channel funding to leverage on sustainable finance opportunities which have more environmentally sustainable uses.

As a leader in Africa's green revolution, Sterling Financial Holdings is committed to driving sustainable development and inspiring future generations. Beyond our internal initiatives, we actively encourage our stakeholders to embrace a green economy. Through proper vendor vetting, advisory services, sustainable financing, and the development of innovative solutions, we empower others to join us in building a more sustainable future.

Alternative Energy Use

Recognizing the importance of spreading sustainability to all facets of our operations, a major part of our ongoing commitment to reducing greenhouse gas (GHG) emissions is the expansion of our use of solar energy across our network. Currently, we have 68 of our branches powered by renewable energy, reflecting an 8% increase compared to the previous year, and reflected in the reduction of our operational emissions. In addition, 196 of our ATMs are now solar-powered. This accounts for 48.3% of all active ATMs across our network.

Head Office Solarization Project

At the same time, we have also made significant strides in enhancing the energy efficiency of our head office's HVAC system, which earned us the IFC EDGE Advanced certification in 2023, implying that we have at least a 46% reduction in on-site energy consumption. We continue to ensure that this downward trend manifests in our operational emissions through the use of solar panels installed in 2023 at our head office, our most energy intensive building. This has really helped our case, yielding remarkable results through significantly lowering both overall emissions and emissions intensity.

In 2024, the 955kWp Head Office solarization project proved to be a huge boost in our goal of attaining operational sustainability as it engineered significant emissions' saving to the tune of 116.5tCO_2e, a 28% increase from 90.7 tCO_2e, 2023 emissions' savings. This proved further that we are taking the rights steps towards achieving net-zero operationally, our overall long-term goal. Looking at how impactful the project has been towards our goals; we look forward to ensuring that all the bank's energy supply come from a clean source.

To also ensure proper accountability, we employ a comprehensive monitoring system to track our monthly energy usage across all our offices to enable us pinpoint locations with the highest emissions' intensity, hence allowing for proper mapping and targets' setting, thus letting us know how best to channel our efforts at retrofitting to improve our energy efficiency and enhancing our operational sustainability performance.

Group Operational Emission Trend (2024 baseline) **

Scope 1 & 2 Emission Trend (in tCO_2e) – Sterling Bank		
GHG Scope	**Emission Driver**	**2024 Position**
Scope 1 – Direct GHG Emissions	Diesel	3,084,933.80
Scope 2 – Indirect Emissions (Energy)	Electricity	2,664,420.37
Scope 3 – Indirect Emissions (All other Indirect Emissions)	Petrol	584,037.31
Total		**6,333,391.49**

Scope 1 & 2 Emission Trend (in tCO_2e) – Alternative Bank		
GHG Scope	**Emission Driver**	**2024 Position**
Scope 1 – Direct GHG Emissions	Diesel	245,392.52
Scope 2 – Indirect Emissions (Energy)	Electricity	25,723.09
Scope 3 – Indirect Emissions (All other Indirect Emissions)	Petrol	–
Total		**271,115.61**

Scope 1 & 2 Emission Trend (in tCO_2e) – HoldCo		
GHG Scope	**Emission Driver**	**2024 Position**
Scope 1 – Direct GHG Emissions	Diesel	3,330,326.32
Scope 2 – Indirect Emissions (Energy)	Electricity	2,690,143.46
Scope 3 – Indirect Emissions (All other Indirect Emissions)	Petrol	584,037.31
Total		**6,604,507.10**

These computations consist of emissions attributable to both Sterling Bank and Alternative Bank. Deliberate efforts are made to lower emissions using a variety of strategies including vast deployment of solar energy to power the branches and the ATMs, reducing power usage by minimizing the powering on of idle devices, and publicizing the business advantage of emissions reduction to all our internal customers through bank's internal electronic media.

***2024 marks the inaugural reporting cycle that consolidates emissions data for the entire Sterling Financial Holdings Company.*

Energy Usage

Diesel Consumption	
Year	Diesel Consumption (Litres)
2024	1,248,435.00

Electricity Use	
Year	Electricity Use (kWh)
2024	4,957.875.10

Resources Usage

Paper Use		
Year	Number of Reams of Paper	Total weight of Paper Reams (Kg)
2024	19,760	47,424

Water Use		
Year	Number of dispensers consumed	Amount of water consumed (Litres)
2024	111,062	2,110,185

Our overall response to climate change at Sterling Financial Holdings Company Plc

Throughout the Company, we recognize our responsibility to actively contribute to ameliorating the menace of climate change through adaptation and mitigation. We still maintain a comprehensive three-pronged approach to address this critical issue. Our strategy includes:

1. **Reducing Our Footprint through Reduction in Materials' Usage**: We are committed to minimizing the environmental impact of our direct operational activities. This takes first, having a good account of our emissions which then allows us to plan. We have *SustainabilityPro* – a smart ESG data reporting and analysis platform, which serves as a repository for all our sustainability data. Through both long-term and short-term plans, we are systematically working to reduce our footprint and continuously raising our ambitions from just domestic reduction goals to alignment with global sustainability goals.

2. **Climate Finance**: We are intentionally directing investments toward financing projects that advance environmental and social sustainability. By prioritizing investments in green initiatives, we reduce

our indirect emissions and support the real sector in its transition to a low-carbon economy. We take advantage of our role as a financial institution to combat climate change through financing climate change mitigation and adaptation. As part of our efforts, we have a sustainable finance framework at our Conventional Banking subsidiary that guides us through this activity. We also implement a mechanism to evaluate our risk assets during the assessment phase for their potential contributions to sustainability and where applicable, we finance or refinance these assets according to the framework. This framework adheres to internationally recognized taxonomies, including the ICMA Sustainability Bond Principles, ICMA Green Bond Principles, and ICMA Social Bond Principles. Furthermore, for existing assets within a valid lookback period, we are systematically tagging our portfolio and identifying potentially eligible assets for refinancing. Through these efforts, we aim to not only enhance the sustainability and climate resilience of our portfolio but also to inspire industry players to prioritize climate finance and adopt more sustainable business practices. By strategically financing projects that promote sustainability, we are driving positive change and encouraging a broader shift toward a low-carbon, socially responsible economy.

3. **Climate Risk Management:** We have integrated an additional layer of climate risk management into our existing Environmental and Social (E&S) management framework. This involves evaluating loans to assess our exposure to both physical and transition risks associated with climate change, thus ensuring informed investment decisions. We recognize that climate change introduces new and complex risks, including climate-related risks, which require proactive management. To future-proof our portfolio from possible climate risk, we analyze credit applications through a climate risk lens to ensure informed lending decisions. To strengthen this effort, we are developing a net zero strategy on the back of a previous climate risk analysis of our loan book by one of the Big 4 consulting firms to align our operations and financing to a more sustainable path.

Additionally, we continue to estimate our financed emissions using the Partnership for Carbon Accounting Financials (PCAF) methodology. This helps us identify the emissions intensity of our portfolio in real-time and pinpoint the most carbon-intensive sectors, enabling us to properly strategize our decarbonization efforts. Moving forward, we are working to institutionalize this climate risk analysis process. We are also putting in place, the necessary frameworks and measures to prepare for our inaugural climate risk disclosure, aligned with the IFRS S2 standards, which emerged as the global consensus on climate disclosures at COP 28 and will soon become binding statutorily. This reflects our commitment to transparency, sustainability, and leadership in addressing the challenges posed by climate change.

Nature Based Solutions

At Sterling Bank, we recognize that addressing climate risks requires a multi-faceted approach, and nature-based solutions play a crucial role in our group wide climate risk management strategy. One of the key components of this approach is the investment in tree planting and reforestation efforts, which help mitigate climate risks and contribute to the overall health of our planet.

Tree planting projects are an effective way to sequester carbon, reduce greenhouse gas emissions, and enhance biodiversity.

By supporting these initiatives, we not only contribute to the fight against climate change but also help strengthen local ecosystems, reduce flood risks, and improve water quality. Forests and green spaces serve as natural buffers against extreme weather events, such as storms and heatwaves, which are becoming more frequent and intense due to climate change.

In line with our commitment to sustainable practices, Sterling Bank has partnered with various environmental organizations to fund tree planting programs and support reforestation projects in vulnerable areas. These efforts are designed to offset our carbon footprint and promote resilience in communities facing the impacts of climate change.

As we continue to evolve our climate risk management strategy, nature-based solutions will remain a cornerstone of our commitment to environmental sustainability and long-term climate resilience.

Economic Sustainability

Across Sterling FInancial Holdings Company, we view our investments as an avenue to foster and promote sustainable practice in the real sector and as such, we integrate environmental, social, and governance (ESG) considerations into our investment decision-making processes. This ensures that the investments we make have positive environmental footprints in the real sector. Our organization is dedicated to delivering innovative financial solutions that support the achievement of the United Nations Sustainable Development Goals (SDGs) and the Nigerian Net Zero Commitments. Through the development of ethically driven and innovative sustainable funding solutions, these efforts are focused on tackling pressing global environmental and social challenges, including climate change, education, financial inclusion, women's empowerment, food security, enhanced infrastructure, etc

Environmental & Social Management System For Lending Activities

The organization's core strategies include the effective implementation of an Environmental and Social Risk Management System (ESRMS) in line with best practices and national laws. Implementing the Environmental and Social Management Systems (ESMS) as it relates to the Bank's lending processes enables us to meet our objective of carrying out our banking business sustainably. For proper governance, a board-approved environmental and social (E&S) risk management policy and framework is adopted across the Bank. This policy document is adopted from several best-in-class frameworks and standards including the International Finance Corporation Performance Standards (IFC PS), the Nigerian Sustainable Banking Principles (NSBP), GHG Protocol, etc.

This ensures that the impact of E&S risks and climate risks emanating from activities financed by the Bank are constantly assessed and managed within acceptable limits; these impacts may include environmental degradation such as extreme weather events, natural resource impairment, biodiversity loss, and social issues such as the tendency of diseases' spread threatening human health and safety, violation of labor rights, involuntary resettlement or displacement of livelihood. We ensure that the ESRMS always retains at all times, its capacity to guide the bank in identifying, assessing, mitigating, and managing the ever-changing spectrum of internal and industry-wide E&S

risks exposures, thereby preventing any E&S risk linked credit risk, liability risks, and reputational impact.

Our ESMS is also structured to identify and analyze opportunities as much as it identifies and analyses risk. Thus, sustainable investments like renewable energy, sustainable agriculture, clean transportation, and eco-friendly infrastructure development among others receive special attention in our analyses since they are aligned with our ambition of having a greener, more sustainable, climate-resilient portfolio. Thus, as a customary practice, we ensure that our lending decisions consider not only the bottom line but also show our environmental stewardship, as well as social and governance responsibility. This practice enables us to make sure that the environment is not degraded in the process, that the costs of economic development are not transferred to the poor or vulnerable, and that natural resources are used sustainably.

We also prioritize extending and propagating this drive through capacity building and awareness among employees and our customers who are at the heart of our business such that new hires are given a grounding session to deepen their understanding of our approach to sustainability and where they come in. Thus, sustainable practice is encouraged in the bank's everyday operations, in its corporate strategy, and overall decision-making, evidenced by a decade-long track record of substantial contributions to Nigeria's social, economic, and environmental development.

Summary of our investment across Sterling Financial Holdings Company Plc

Across our subsidiaries, Sterling Bank and Alternative Bank, we ensure that this outlook of sustainable investing is maintained in our investment decisions. Supporting these sectors is a deliberate attempt to carry out investments that promote social sustainability for the benefit of society at large.

Sector	Value (N' millions) 2024
Health	14,037.02
Education	6,273.61
Agriculture	149,827.06
Renewable Energy	9,644.41
Transportation	67,860.02
Total	**247,642.11**

'HEART' Strategy

As of the 2024 year-end, the total sum of investments recorded in the Bank's five (5) focus sectors was N247.6 Billion.

In the coming years, our focus will be on meeting our objective of enhancing financial performance and profitability by exploring new frontiers in sustainable investing. We hope to support more SMEs who are the engine of the economy, thus also fostering economic growth, while investing in sustainable technology innovations and methods that promote efficient resource usage and climate change resilience. We will also remain committed to creating long-term value and sustainable development as we strive to build stronger relationships with communities and stakeholders whom we serve, as well as our customers, who see us as their trusted partner.

Social Dimension

Sterling Financial Holdings Company is committed to being the preferred financial partner, integrating sustainability into every aspect of our operations. Success, for us, is not just financial growth but creating a positive impact on society. Our approach prioritizes people, innovation, financial inclusion, and community empowerment.

Our People and Work Environment

Our employees are our greatest asset, and we are committed to fostering an inclusive and empowering workplace that supports their well-being and professional growth. To achieve this, we offer Employee Assistance Programs (EAP) and wellness initiatives to ensure their mental and physical health. We also provide flexible work arrangements and equip them with digital work tools like OneAccess and BYOD to enhance productivity and adaptability. Additionally, we prioritize continuous learning and development through platforms such as Flex and LMS, enabling our team to grow their skills and thrive in their careers.

Community Engagement and Social Responsibility

We are committed to enhancing the well-being of our communities through a range of strategic initiatives focused on key areas. In education, we provide scholarships, mentorship programs, and digital literacy initiatives to empower individuals with knowledge and skills. In healthcare, we invest in medical support and wellness programs to promote healthier lives. Our environmental sustainability efforts include tree planting, waste recycling, and eco-conscious banking practices to protect the planet. Additionally, we prioritize financial inclusion by developing innovative banking solutions tailored to the needs of underserved populations, ensuring broader access to financial resources and opportunities.

Driving Financial and Social Impact

Guided by our philosophy of Creating Wealth, we ensure financial solutions are accessible, inclusive, and transformative. Our Core Values—Empathy, Execution, and Excellence—drive our commitment to empowering individuals and communities.

A Sustainable Future

Sterling Financial Holdings Company remains steadfast in its commitment to driving positive change through a multifaceted approach. By expanding financial inclusion with innovative banking solutions, the company ensures broader access to essential financial services. Simultaneously, it enhances operational efficiency by embracing digital transformation, streamlining processes to better serve its clients. The organization prioritizes employee well-being and professional growth, fostering a supportive and dynamic work environment. Beyond its core operations, Sterling actively supports education, health, and environmental initiatives, contributing to the betterment of communities. Additionally, the company cultivates a culture of diversity, equity, and inclusion, ensuring that these values are embedded in its operations. Through its unwavering dedication to sustainability, Sterling integrates social impact into its core business, striving to build a more inclusive, equitable, and prosperous future for all.

Diversity, Equity and Inclusion

At Sterling Financial Holdings Company, we are committed to fostering a diverse, equitable, and inclusive workplace where every individual is valued, respected, and empowered to thrive.

Our approach to diversity and inclusion goes beyond compliance; it is deeply embedded in our culture, policies, and operations, reflecting our core values and commitment to social sustainability.

We believe that a diverse workforce enhances innovation, improves decision-making, and strengthens our ability to serve a broad and dynamic customer base. As a forward-thinking institution, we are dedicated to creating an environment that welcomes individuals from all backgrounds, ethnicities, genders, abilities, and beliefs, while upholding our ethical principles and commitment to excellence.

To drive meaningful impact, we have implemented inclusive recruitment practices, equitable career development opportunities, and employee engagement initiatives that promote belonging, collaboration, and growth. We also champion financial inclusion by providing accessible products and services tailored to the needs of underserved communities, ensuring that everyone has the opportunity to thrive.

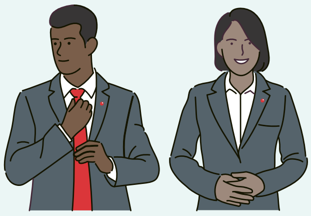
As part of our dedication to sustainability, we have redesigned our operational frameworks to promote equality and support the diverse lifestyles of all employees. Through flexible work arrangements, mental wellness programs, and initiatives like Sterling Virtual check-ins and Bring-Your-Own-Device (BYOD), we prioritize seamless work-life integration and foster a gender-balanced workplace.

At Sterling Financial Holdings Company, we are proud to nurture an inclusive culture that celebrates diversity and empowers every individual to reach their full potential. By embedding diversity, equity, and inclusion into our DNA, we are building a more equitable and sustainable future for our employees, customers, and communities. As dedicated participants in the United Nations Global Compact (UNGC), we remain committed to driving meaningful progress toward the Sustainable Development Goals (SDGs). Through our strategic investments in gender equality, we actively contribute to the advancement of SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities), along with other key global priorities.

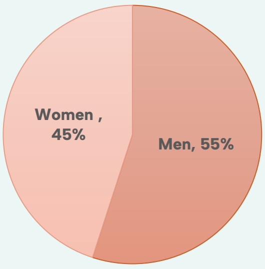
In 2024, we achieved the following Diversity and Inclusion initiatives:
Successfully converted 10 Sterling Embrace (PWD- Persons with Disabilities) interns to full-time trainees.
Appointed our first female Executive Director.
Raised awareness for Gender Inclusivity and Equity through our ERG Anchor, marking its 1st Anniversary and commemorating International Men's Day.
Celebrated International Women's Day and Women's History Month with impactful initiatives.
Received an award for Excellence in DEI Practices from the National Commission for Persons with Disabilities.
Successfully completed the 2-year Nigeria2Equal program with the IFC, which aimed to foster a more gender-inclusive environment at Sterling.
We also won three awards as part of this achievement.

Sterling Financial Holdings Company is committed to upholding equal opportunity principles in all our employment practices. Our hiring decisions are made exclusively based on merit, skills, and alignment with our organizational values and culture. We guarantee that our recruitment processes remain free from biases related to gender, ethnicity, religion, political affiliations, physical characteristics, or any other irrelevant factors.

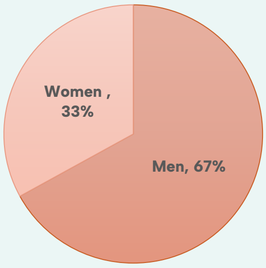
The female representation of the Bank as of year-end 2024 is shown below.



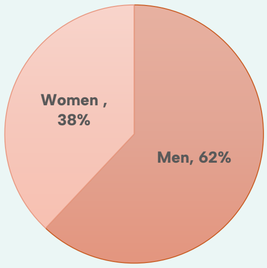
Employee Composition



Management Composition



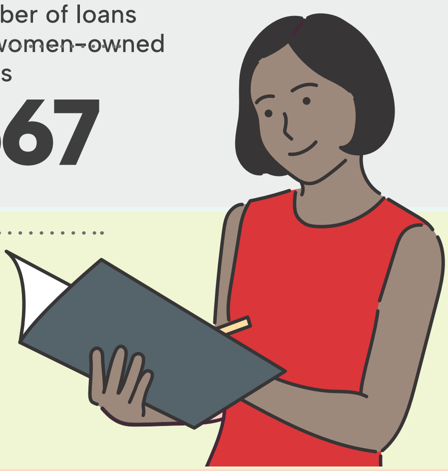
Board of Directors



Key Diversity Highlights

Total number of loans made to women-owned businesses

8,667



Total loan value (Jan – Dec 2024)

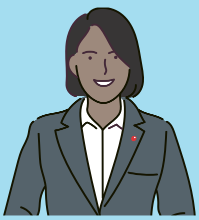
₦28.55+ Billion

This makes up **42 per cent** of expenditures on the total workforce between Jan to Dec 2024

146 branch locations & 19 cash centers are easily accessible by persons with disabilities

13% increase in the number of female employees in senior management roles

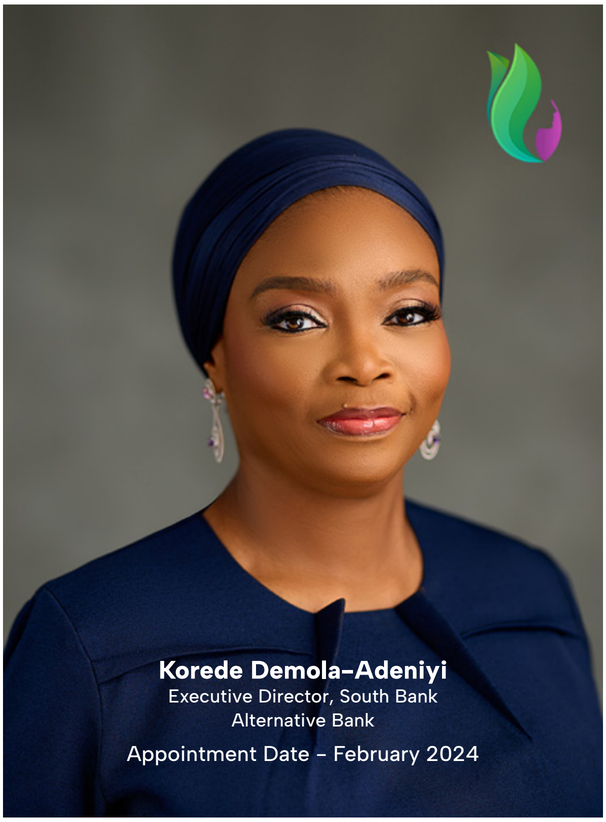
38% increase in the number of Female Employees recruited



49% increase in the number of Female Employees promoted

The Bloom Network

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



Korede Demola-Adeniyi
Executive Director, South Bank
Alternative Bank
Appointment Date - February 2024

34% of the Tech workforce is made up of women. A 14% point increase from 20% in 2023

Onboarded 7 highly skilled and specialized tech amazons.

Onboarded 16 moms on the Sterling Momship Program

Advocacy

2024 International Women's Day: "Breaking Barriers, Building Bridges"

The 2024 International Women's Day highlights gender equality with the theme "Breaking Barriers, Building Bridges," The engagement campaign used includes **#CountHerIn, #WhatBloomersWant**, and **#InspireInclusion** to challenge stereotypes, empower women, and foster inclusivity.

a. **Challenging Stereotypes:** Reshaping societal norms by promoting diverse representations of women in media, education, and leadership.

b. **Empowering Marginalized Women:** Addressing the unique challenges faced by women at the intersection of race, class, disability, and other identities.
c. **Ending Gender-Based Violence:** Strengthening legal protections, survivor support, and education on consent and healthy relationships.
d. **Promoting Work-Life Balance:** Advocating for policies like paid parental leave and affordable childcare to redistribute caregiving responsibilities.
e. **Celebrating Contributions:** Highlighting women's achievements in culture, science, and leadership to inspire future generations.
f. **Building Inclusive Communities:** Ensuring women's voices are heard in decision-making at all levels, from local councils to corporate boards.
g. **Educating for Equality:** Expanding access to gender-sensitive education and mentorship programs for girls worldwide.
h. **Global Solidarity:** Uniting across borders to advocate for a world where every woman and girl can live with dignity and opportunity.

Breast Cancer Awareness Week

Breast cancer impacts individuals, families, and communities beyond just health concerns. 2024 Breast Cancer Awareness Week emphasizes support, inclusion, and equity to foster a more informed and compassionate society.

International Day of the Girl Child

The International Day of the Girl Child it observed annually, it highlights gender equality and the empowerment of girls. The social dimension focuses on education, health, protection, and leadership opportunities for girls worldwide.

Education & Literacy: Ensuring access to quality education, especially in STEM.

Health & Well-being: Promoting healthcare, menstrual hygiene, and mental health support.

Gender Equality & Empowerment: Challenging harmful norms and fostering leadership.

Protection & Safety: Preventing child marriage, violence, and exploitation.

Leadership Development & Mentoring

The graduation of 48 women from the Sterling Women Development Program (SWDP) represents a significant milestone in fostering gender inclusion and economic empowerment. By equipping women with essential skills, financial literacy, and business acumen, the program contributes to reducing gender disparities in entrepreneurship and professional development.

- This initiative strengthens social equity by creating opportunities for women to thrive in various industries, thereby enhancing their socio-economic status and financial independence. Moreover, by investing in women's growth, Sterling Financial Holdings Company reinforces its commitment to sustainable development, community resilience, and inclusive economic participation, ultimately fostering a more equitable society.

- The participation of 12 senior leaders at the APWB- Association of Professional Women Bankers annual conference underscores a commitment to gender inclusion, mentorship, and leadership diversity in banking. Their presence fosters knowledge exchange, inspires aspiring female professionals, and reinforces workplace equity. Beyond career growth, the event strengthens networking and community engagement, driving social sustainability and a more inclusive financial sector.

- The participation of 6 female delegates at the WIMBIZ 23rd Annual Conference—"**Dream, Dare, Do**"—highlights a commitment to gender inclusion, leadership, and economic empowerment. Engaging with industry leaders, they explored strategies to bridge gender gaps, foster mentorship, and drive social impact. Their involvement not only fuels personal growth but also inspires broader change, reinforcing diversity and inclusion in workplaces and communities.

- The participation of these female delegates at the WISCAR Leadership and Mentoring Conference 2024, themed "**Fueling Resilience: Empowering Diversity for Economic Success,**" highlights the vital role of women in leadership and economic transformation. Their presence reinforces the importance of mentorship, diversity, and inclusion in fostering resilience and bridging gender gaps. By inspiring future female leaders, they contribute to a more equitable society and sustainable economic growth.

Corporate Social Responsibility

In celebration of the International Day of the Girl Child, we organized a school outreach focused on education, leadership, and personal development. Through mentorship sessions, interactive workshops, and resource distribution, we empowered young girls to break barriers and embrace opportunities. With a total spend of N1,951,174, this initiative aligns with SDGs 4 (Quality Education) and 5 (Gender Equality), reinforcing our commitment to gender inclusion and social impact.

National Sustainability Week 2024

Sterling Financial Holdings Company's National Sustainability Week 2024, the first of its kind in Nigeria, took place from October 21st to 26th, 2024, under the theme "**Promoting Innovative and Digital Solutions for a Greener Future**." The week-long event brought together over 1,500 participants, including stakeholders from the public and private sectors, educators, students, entrepreneurs, and community leaders, to drive collective action toward sustainable development. The initiative underscored Sterling Financial Holdings Company's commitment to fostering social inclusion, environmental stewardship, and economic empowerment through innovative and digital solutions.

Day 1: Sustainability Lecture – "Future Forward Financing"

The week kicked off with a virtual session titled "**Future Forward Financing**," which attracted 250 participants, including policymakers, financial experts, and sustainability advocates. The session focused on innovative financing strategies to achieve the United Nations Sustainable Development Goals (SDGs). Discussions emphasized the role of digital tools in mobilizing resources for green projects, particularly in underserved communities. This session laid the groundwork for aligning financial systems with sustainable development, ensuring inclusivity and accessibility for all.

Day 2: Investment Readiness – Green Innovation Challenge (GIC)

It centered on empowering entrepreneurs through the Green Innovation Challenge (GIC), which involved over 800 applicants, including 240 female-led businesses. The investment readiness session provided critical insights into business structuring, sustainable financing, and leveraging digital platforms to scale green innovations. By prioritizing gender inclusivity, Sterling Financial Holdings Company demonstrated its commitment to bridging the gender gap in entrepreneurship and ensuring women's active participation in the green economy.

Day 3: Climate Education – Engaging the Next Generation

Over 1,000 students nationwide participated in interactive programs focused on waste management, gender equality, and climate solutions. Additionally, a nationwide essay contest engaged 40 schools, encouraging young minds to think critically about sustainability challenges and propose innovative solutions. This initiative not only raised awareness but also empowered the youth to become active agents of change in their communities, fostering a culture of environmental responsibility.

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

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

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

Day 4: Grand Finale – High-Level Discussions and GIC Pitches

The grand finale featured high-level discussions on integrating sustainability into national policies and corporate strategies. The event also showcased pitches from finalists of the Green Innovation Challenge, with grants of up to 1 million Naira awarded to winning ideas. This platform not only celebrated innovation but also provided tangible support to grassroots initiatives, reinforcing Sterling Financial Holdings Company's role as a catalyst for sustainable development.

Cleanup Initiative – Community Engagement and Environmental Action

A standout feature of the week was the nationwide cleanup initiative, which mobilized volunteers across 18 states with recyclable wastes of 2,600 kg collected. This effort not only demonstrated the power of collective action but also highlighted the importance of community engagement in addressing environmental challenges. By involving local communities, Sterling Financial Holdings Company ensured that sustainability efforts were inclusive and impactful, fostering a sense of ownership and responsibility.

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

Cross Section of Participants at the Oyo Street clean up Exercise

Cross Section of Participants at the Enugu Street clean up Exercise

Social Impact and Legacy

The National Sustainability Week 2024 left a lasting social impact by:

Empowering Women and Youth: Through initiatives like the Green Innovation Challenge and climate education programs, Sterling actively promoted gender equality and youth empowerment, ensuring that marginalized groups had a voice in the sustainability conversation.

Fostering Community Engagement: The cleanup initiative and educational programs strengthened community ties and encouraged local participation in environmental conservation.

Driving Inclusive Innovation: By supporting female-led businesses and grassroots entrepreneurs, Sterling ensured that sustainability efforts were inclusive and accessible to all.

Building a Sustainable Mindset: The week-long event inspired a culture of sustainability among participants, equipping them with the knowledge and tools to drive change in their respective spheres.

Sterling Financial Holdings Company's National Sustainability Week 2024 was a groundbreaking initiative that not only showcased innovative and digital solutions for a greener future but also emphasized the importance of social inclusion, community engagement, and youth empowerment in achieving sustainable development. By bringing together diverse stakeholders and fostering collaboration, we set a new standard for corporate-led sustainability initiatives in Nigeria and beyond.

Key Highlights of NSW 2024 Achievements

Total Participants: Over 1,500 attendees, including stakeholders from the public and private sectors, educators, students, entrepreneurs, and community leaders.

Annual Beach & Street Cleanup: Conducted across 18 states, with 2,600 kg of recyclable and solid waste collected.

School Environmental Sustainability Outreach: Engaged over 1,000 students in climate education and sustainability activities.

National Secondary School Green Essay Competition: Featured 40 schools nationwide, encouraging students to propose sustainability solutions.

Green Innovation Challenge (GIC):

- Over 200 entrepreneurs participated in investment readiness training.
- 240 female-led businesses were engaged through the Green Innovation Challenge (GIC)
- Winning participants received grants of up to N1,000,000 to scale their sustainability projects.

Sustainability Lecture: "Future Forward Financing" attracted over 250 participants, including financial experts, policymakers, and sustainability advocates.

Corporate Social Repsonsibility (CSR)

At Sterling Financial Holdings Company, we firmly believe that our success is deeply intertwined with the well-being of the communities we serve. As the parent organization of both Sterling Bank and Alternative Bank, we are committed to upholding the highest standards of Corporate Social Responsibility (CSR).

As a responsible financial institution, Sterling Financial Holdings Company recognizes that our responsibility extends beyond financial performance. We are steadfast in our mission to leverage our resources, expertise, and influence to drive sustainable development and improve the quality of life for all stakeholders. Together, Sterling Bank and Alternative Bank are paving the way for a more equitable and inclusive future, ensuring that our social impact is both meaningful and enduring.

Through transparency, accountability, and innovation, we remain committed to being a force for good, empowering people and communities to thrive in an ever-changing world.

Sterling Corporate Social Repsonsibility (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 completed initiatives in sectors such as Education, Agriculture, Sports, Empowerment, Health, Environment and Security.

Environmental Sustainability

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

The Beach Adoption Programme

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

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

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

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

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

Health

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

Through strategic partnerships and targeted interventions, we continue to strengthen healthcare systems and contribute to the long-term economic stability of the communities we serve.

Below are some of the health interventions carried out by the Bank in 2024:

1. MamaBase

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

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

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

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

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

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

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

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

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

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

3. WASH Innovation Challenge

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

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

Beyond the competition, the initiative focused on capacity building, ensuring Corps members were equipped with practical knowledge on hygiene education, sanitation project design, and water conservation strategies. By integrating behavioral change models and implementation frameworks, the challenge empowered young leaders to spearhead long-term sanitation improvements at the grassroots level.

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

4. Bold Actions Session on Health at ASIS

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

A key highlight of the summit was the Bold Action on Health Roundtable, which convened over 20 Health Commissioners from across Nigeria, alongside key critical stakeholders in the private sector, public sector, and third sector. The session focused on healthcare financing, digital health expansion, policy-driven interventions, and workforce development as essential components for improving healthcare access and quality.

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

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

Discussions also underscored the role of telemedicine and AI-driven diagnostics in expanding healthcare access. With digital health solutions proving to be cost-effective and scalable, the roundtable explored investment opportunities in telehealth platforms, AI-driven patient monitoring, and mobile health applications. These technologies are expected to streamline patient care, reduce healthcare costs, and improve early disease detection in underserved communities.

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

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

The Bank's engagement in these discussions aligns with its broader strategy of leveraging financial expertise, strategic investments, and multi-sector partnerships to improve healthcare systems and strengthen economic resilience. The Bold Action on Health at ASIS 2024 set a strong foundation for policy reforms, technological advancements, and investment commitments that will drive sustainable healthcare transformation across Africa.

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

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

Education

As part of our commitment to education, we have actively implemented initiatives aimed at improving literacy, numeracy, and overall learning outcomes across Nigeria. Education is a powerful catalyst for personal advancement, social progress, and national development. It provides individuals with the skills, knowledge, and confidence needed to navigate an evolving world, fostering innovation, critical thinking, and informed decision-making. Beyond individual growth, education plays a critical role in reducing poverty, bridging social inequalities, and strengthening community resilience. By equipping learners with essential competencies, it creates opportunities for employment, entrepreneurship, and economic mobility, ensuring a more inclusive and prosperous society. We recognize education as more than a tool for learning—it is a driver of sustainable development and a fundamental right that empowers individuals to contribute meaningfully to their communities. The Bank has long prioritized education as a cornerstone of its social investment programs, reflecting its long-term commitment to improving access to quality learning. Our initiatives are designed to support students, educators, and policymakers in building a robust and adaptive education system that meets the needs of today while preparing for the challenges of the future.

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

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

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

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

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

The introduction of safe spaces within schools has provided early-grade pupils with an enriched learning environment, fostering creativity and cognitive development. Over 97 students have participated in structured activities such as storytelling, poetry recitations, and interactive literacy exercises, all designed to make education more engaging and participatory. These initiatives have contributed to a more stimulating classroom culture, where students feel encouraged to explore learning in innovative and enjoyable ways.

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

2. Accelerated Senior Secondary Education Program (ASSEP)

In line with the Bank's commitment to advancing learning opportunities, the Accelerated Senior Secondary Education Program (ASSEP) is being implemented in partnership with the Office of the Vice President and the Northeast Development Commission (NEDC) to drive rapid improvements in education across the Northeast. Designed as a transformative intervention, ASSEP is equipping students with strong academic foundations, technical competencies, and practical skills that prepare them for both higher

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

education and workforce integration. Through structured academic support, teacher training, and vocational skill development, the program is helping students bridge learning gaps, improve exam preparedness, and gain exposure to career pathways that extend beyond the classroom.

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

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

ASSEP also places strong emphasis on student engagement and exam readiness, ensuring that participants are well-prepared for West African Examinations Council (WAEC), National Examinations Council (NECO), and Joint Admissions and Matiruclation Board (JAMB) examinations. Intensive coaching sessions, quiz competitions, and targeted learning workshops have been integrated into the program, giving students access to structured revision resources and interactive learning opportunities that reinforce classroom instruction. Over 11,581 students have benefitted from intensive coaching sessions, while quiz competitions have encouraged academic excellence and peer learning in STEM-focused subjects.

In addition to academic preparation, ASSEP is bridging the gap between education and employability by equipping students with technical and vocational skills that provide career opportunities beyond formal education. Through hydroponic farming projects, technical training in robotics and coding, and vocational workshops in carpentry, welding, and tailoring, students are gaining hands-on experience in sustainable agriculture, engineering, and entrepreneurship.

The program's introduction of financial literacy and business management modules is further enabling students to explore entrepreneurial pathways, ensuring they have the skills needed for economic self-reliance.

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

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

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

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

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

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

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

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

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

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

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

4. Learning for Lasting Peace Webinar

In alignment with the African Union's 2024 Year of Education agenda, we partnered with the Association for the Development of Education in Africa (ADEA), the British Council, and the Global Partnership for Education (GPE) to host the "Learning for Lasting Peace" thought leadership

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

series. This virtual event, held in commemoration of the International Day of Education, convened policymakers, private sector leaders, education stakeholders, and development experts to address the urgent need for transformative education systems in Africa.

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

5. Ake Arts and Book Festival

At Sterling Bank, we are committed to supporting education and cultural enrichment in Nigeria. Our ongoing partnership with the Ake Arts and Book Festival reflects this dedication, as we continue to invest in platforms that encourage learning, creativity, and intellectual exchange.
The 2024 edition of the Ake Festival, themed "**Finding Freedom**," brought together an incredible lineup of 10 distinguished speakers, 300 attendees, and global thought leaders for three days of insightful discussions. The festival

explored how education, literature, and the arts serve as powerful tools for personal and societal transformation, providing a space for meaningful dialogue on the role of knowledge in shaping perspectives, challenging limitations, and creating opportunities for growth.

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

6. Going Global Conference

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

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

Discussions centered on climate-responsive higher education and its potential to transform Africa's labor market. We shared insights from our Climate Education Initiative, which aims to integrate sustainability principles into curricula across Nigerian institutions. To date, this initiative has reached over 1,000 students, equipping them with the knowledge and skills necessary for the emerging green and blue economies.

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

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

Agriculture

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

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

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

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

Agriculture Summit Africa (ASA)

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

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

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

Benue State stood out as a key beneficiary of these investment opportunities, leveraging its agricultural capacity and strategic positioning to attract partnerships that will scale up feed production and livestock systems. One of the significant agreements reached was a partnership with South African investors to support sustainable livestock farming and the development of Nigeria's domestic feed industry. These investments align with broader national objectives to reduce import dependence, improve local production, and create more resilient food systems.

Beyond investment facilitation, ASA 2024 provided a platform for expert-led discussions on innovative financing models, agritech solutions, and market access strategies. Stakeholders examined how digital tools, precision farming technologies, and structured finance mechanisms can improve efficiency in the agricultural value chain. The role of impact-driven policies and regulatory frameworks was also highlighted, reinforcing the need for collaborative efforts between government and private sector actors to create a more enabling environment for agricultural investments.

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

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

Social Empowerment

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

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

As an active partner in global and regional development conversations, we engage in platforms that advance sustainable growth, economic resilience, and social inclusion. Through these engagements, we continue to play a role in influencing policies, driving strategic investments, and building collaborative frameworks that address key socio-economic challenges. Our commitment extends beyond participation, as we actively contribute to mobilizing capital, strengthening impact-driven partnerships, and driving long-term solutions that create meaningful change. Our engagement in high-impact platforms reflects our dedication to driving strategic partnerships that unlock opportunities and accelerate progress.

1. Africa Social Impact Summit (ASIS)

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

The 2024 edition of the Africa Social Impact Summit (ASIS), themed "Reimagining Progress: A New Blueprint for Sustainable Growth in Africa," brought together over 2,000 leaders and stakeholders to explore opportunities for accelerating development through strategic investments, policy interventions, and market-led innovations. As a strategic partner since the summit's inception, Sterling Bank has remained actively involved in advancing discussions that mobilize capital for high-impact projects, scale sustainable solutions, and create collaborative frameworks addressing healthcare, agriculture, education, climate action, and financial inclusion.

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

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

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

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

2. United Nations General Assembly (UNGA) 2024

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

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

3. Africa Roundtable on Private Sector Solutions to Internal Displacement

At the 2024 Africa Roundtable on Private Sector Solutions to Internal Displacement, convened by the United Nations High Commissioner for Refugees (UNHCR) in Lagos, we collaborated with stakeholders from the public sector, humanitarian organizations, and private sector leaders to address the challenges faced by internally displaced persons (IDPs). The event underscored the critical role of private sector investments in transforming displacement-affected communities into resilient, thriving ecosystems.

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

L-R: Bolaji Sofoluwe, Managing Director, ETK Group; Mrs. Folashade Ambrose-Medebem, Commissioner for Commerce, Cooperatives, Trade & Investment; Olapeju Ibekwe, CEO, Sterling One Foundation; Mr. Babajide Sanwo-Olu, Governor of Lagos State; Dr. Obafemi Hamzat, Deputy Governor of Lagos State; Dr. Oluwogbemiga Aina, Permanent Secretary, Ministry of Commerce; and Mr. Abubakar Suleiman, Managing Director of Sterling Bank, at the Pre-ASIS Investor Roundtable themed "Opportunity Made in Lagos".

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

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

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

Women Empowerment

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

1. Ring the Bell for Gender Equality and Women Empowerment

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

The ceremony reinforced the role of financial markets in mobilizing capital for gender-focused initiatives, including innovative financial instruments such as gender bonds. Discussions underscored the importance of integrating women into all sectors of the economy, ensuring they have access to leadership opportunities, financial resources, and entrepreneurial support. Through strategic partnerships and collective action, we continue to champion gender equality as a catalyst for inclusive economic development. By accelerating progress through investments in women, we contribute to a more equitable society where opportunities for growth and success are accessible to all.

2. UNIDO Investment Readiness for Women Entrepreneurs

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

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

3. Commemorating International Women's Day with NASME

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

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

role women play in contributing to the Nation's Gross Domestic Product (GDP) and managing resources at both family and national levels.

Discussions underscored the resilience, creativity, and determination demonstrated by women entrepreneurs in establishing and growing their businesses, despite facing barriers such as limited access to finance, markets, and support services. There was a collective call for creating an enabling environment that facilitates the growth and success of women-owned SMEs, recognizing the importance of affordable financing, business development services, and market opportunities to unlock their full potential. The event also emphasized the strategic importance of empowering women as a means of advancing economic development, social progress, and inclusive prosperity. Stakeholders stressed the need to address challenges such as access to finance, mentorship, and market opportunities to ensure that women can achieve long-term success. Additionally, the role of media in shaping narratives, driving inclusion, and inspiring economic growth and innovation was highlighted as a key factor in creating lasting change.

4. The Bloom Network

The Bloom Network is an initiative committed to advancing gender inclusion by creating opportunities for women to thrive in professional and personal spaces. It provides access to mentorship, leadership development, and capacity-building programs that equip women with the skills needed to excel across various sectors. Through strategic collaborations, the network extends its impact beyond the workplace, supporting initiatives that empower young girls and women in underserved communities.

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

A cross-section of stakeholders, and participants, at the UNIDO Investment Readiness Program, engaging in discussions on enhancing financial access and scaling opportunities for women-led businesses

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

5. White Cane Day Partnership

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

Through this engagement, over 300 visually impaired individuals benefited from various interventions, including health screenings and insurance awareness sessions facilitated in collaboration with SKYDD. Additionally, we advanced financial inclusion efforts by providing tailored banking solutions, leading to the opening of over 100 individual accounts and 15 business accounts for persons with visual impairments.

Recognizing the importance of sustained institutional support, the Nigeria Association of the Blind also initiated discussions on establishing a formal banking relationship with us, a partnership that will be finalized following their leadership transition in December 2024. Our participation in White Cane Day reflects our broader commitment to social equity and financial accessibility, ensuring that marginalized communities have the tools and resources they need to thrive.

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

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

Donations and Charitable Gifts

The Group donated a total sum of **N469,381,166.96 (Four Hundred and Sixty-Nine million, Three Hundred and Eighty-One Thousand, One Hundred and Sixty-Six Naira, Ninety-Six Kobo** during the year ended 31 December 2024 (**2023: N304,621,689**) 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)
Financial Literacy and Public Enlightenment Support	Corporate Social Responsibility	35,880,000.00
Sterling Environmental Makeover 2024	Corporate Social Responsibility	14,400,000.00
Body of Bank's CEOs Flood Support Contribution	Corporate Social Responsibility	14,250,000.00
28th National Economic Summit Sponsorship and Membership commitment	Sponsorship	70,000,000.00
Agriculture Summit Africa Partnership Support	Sponsorship	50,000,000.00
Ake Arts and Book Festival	Sponsorship	48,000,000.00
Afro Flavour Food Festival	Sponsorship	35,893,166.96
Africa Fashion Week	Sponsorship	15,000,000.00
Africa Social Impact Summit Partnership Support	Sponsorship	14,555,000.00
Support for Environmental Sustainability Initiatives	Corporate Social Responsibility	18,700,000.00
Support for Youth and Creative Development Initiatives	Corporate Social Responsibility & Sponsorship	26,000,000.00
Support for Educational Advancement Programmes	Corporate Social Responsibility & Sponsorship	28,000,000.00
Institutional Support for Capacity Building and Professional	Sponsorship	19,450,000.00
Ikoyi Golf Club Nig Cup 2024	Sponsorship	9,531,000.00
Sponsorship for Business and Investment Development	Sponsorship	7,300,000.00
One Woman Mentorship Programme	Sponsorship	1,500,000.00
Lemu Marriage Summit 2024	Corporate Social Responsibility	15,000,000.00
2024 Annual Peace And Unity Convention	Sponsorship	10,000,000.00
Inter-Group Golf Tournament at IBB Intl Golf Club	Sponsorship	5,000,000.00
Other Donations and Collaborations	Corporate Social Responsibility & Sponsorship	30,922,000.00
Total		**469,381,166.96**

Alternative Bank Impact Report 2024

Executive Summary

It is with great pride and enthusiasm that we present the 2024 Annual Social Impact Report, showcasing our commitment to transformative social change across key sectors of Education, Women Empowerment, Health, Youth Development, Food Security, Environmental Sustainability, Humanitarian Support, and Community Engagement. At Alternative Bank, we have always believed in the power of sustainable partnerships and targeted interventions to drive positive societal transformation. Our 2024 initiatives exemplify this vision, highlighting the collective effort of our teams, partners, and communities. In Education, we championed culture and knowledge through strategic partnerships at events like the Kabafest and Ake Book Festival, fostering learning, creativity, and intellectual engagement.

Our work in Language Education with Artificial Intelligence has redefined how technology can enhance literacy and communication skills, while the Susman Foundation partnership continues to spark innovation in academic and professional development. Additionally, we significantly improved the NYSC Camp in Sokoto, enhancing both living and learning conditions for thousands of future leaders. For Women's Empowerment, 2024 saw us spearheading initiatives such as Alternative Bank and NASFAT Partnership for Women's Economic Empowerment, which opened new doors to financial independence and entrepreneurship. The Mata Zalla Electric Tricycle Initiative in Kano offers women a pathway to sustainable livelihoods, while our Makoko Women's Financial Inclusion and Healthcare Initiative is bridging gaps in healthcare access and economic participation. The Althaven Women MSME Development and Pop-Up Event continues to empower small businesses, and the Light Her Program in Katsina State lights a path of hope and opportunity for women across northern Nigeria.

In Health, we are proud of our advocacy for Mental Health Awareness and the Althealth Drive, which continues to prioritize physical and mental well-being. Our role in Menopause Awareness and Care addresses an often-overlooked aspect of women's health, offering crucial support to women at all stages of life. Youth Development remains a cornerstone of our work. Through the Youth Social Innovation Summit in Lagos, we have empowered young leaders with the skills, resources, and connections to become catalysts for change. Our ongoing support for "**The Noble Warrior: Eni Ogun"**, underscores our commitment to championing individuals who inspire and lead through perseverance. On the issue of Food Security, our participation in the 7th Agric Summit Africa helped drive conversations on innovative solutions to improve food production and distribution systems across the continent, while tackling critical issues like hunger and malnutrition. Our efforts in Environmental Sustainability and Humanitarian Support continue to drive impactful change.

The Flood Response and Relief Efforts in Maiduguri provided urgent support to displaced communities, while our Waste for Social Impact Initiative and Plastic Pollution Campaign continue to reshape how we manage and reduce waste in our communities. The 2024 National Sustainability Week reinforced our commitment to fostering environmental stewardship across Nigeria. In the realm of Community Engagement, our partnerships with prestigious organizations like Ikoyi Golf Club and IBB International Golf & Country Club for events like the Nigeria Cup 2024 continue to promote social good through sports. Our strategic involvement in Bridging the Housing Deficit in Lagos addresses one of the most pressing challenges for millions of Nigerians, ensuring access to affordable and quality housing.

This report highlights the fruits of these initiatives, measuring both the tangible and intangible impact that our programs have had on the lives of individuals and communities across Nigeria. As we reflect on the progress made, we are reminded of the tremendous potential that exists when corporate responsibility is harnessed to address society's most urgent needs. We extend our deepest gratitude to our partners, stakeholders, and the communities we serve for making these initiatives possible. With continued collaboration and innovation, we look forward to creating even greater impact in the years ahead. Thank you for your unwavering support as we work together towards a more equitable and sustainable future.

Education Impact

1. Championing Education and Culture at KABAFEST

As a leading non-interest bank in Nigeria, Alternative Bank believes that education is the foundation of economic empowerment and societal progress. This commitment to knowledge and learning is at the heart of our decision to support the Kaduna Books and Arts Festival (KABAFEST)—a premier literary and cultural event in Northern Nigeria.

Since its inception in 2017, KABAFEST has evolved into a powerful platform for literature, art, and culture, bringing together writers, artists, and enthusiasts from across Nigeria and beyond. More than just a festival, it serves as a catalyst for intellectual exchange, creative expression, and community development.

Our partnership with KABAFEST aligns with our mission to nurture education, inspire creativity, and foster inclusive growth. The festival's commitment to workshops, mentorship programs, and outreach initiatives resonates with our belief in creating opportunities where individuals—especially young and aspiring creatives—can learn, grow, and contribute meaningfully to their communities.

By supporting KABAFEST, Alternative Bank reaffirms its role as a champion of knowledge, culture, and sustainable development, ensuring that platforms like these continue to ignite minds, inspire change, and strengthen the creative and intellectual fabric of Kaduna and Northern Nigeria. Alternative Bank's participation in KABAFEST underscores our belief in the power of education and the arts to transform lives and communities. By supporting this festival, we not only contribute to the cultural vibrancy of Kaduna but also reinforce our commitment to fostering innovation, creativity, and sustainable development in Nigeria. Together, we can build a future where education and creativity thrive, empowering individuals and communities to reach their full potential.

2. Driving Innovation and Knowledge with Susman Foundation

On September 26, 2024, at the Shehu Musa Yar'Adua Centre, Alternative Bank proudly supported the launch of the book Public Policy and Agent Interests: Perspectives from the Emerging World, co-authored by Dr. Shamsuddeen Usman. This insightful work examines the challenges posed by conflicting agent interests in policy formulation and implementation, offering solutions to enhance public trust and national development.

Our support for this initiative aligns with our commitment to education, knowledge-sharing, and thought leadership as critical drivers of sustainable development. The event was co-hosted with the Susman Foundation, which focuses on providing educational opportunities for underprivileged students, advancing artificial intelligence and technology solutions in Nigeria, and supporting academic excellence.

Dr. Usman, a distinguished economist and policymaker—having served as Minister of Finance, Minister of National Planning, and Deputy Governor of the Central Bank of Nigeria—brings decades of expertise to the book, shedding light on governance and economic growth in the developing world.

Beyond the book launch, the event also marked the unveiling of the Shamsuddeen Usman Foundation (SUF), a philanthropic initiative established by Dr. Usman's children to support education, innovation, and economic empowerment. Proceeds from the book will fund SUF's initiatives, including the establishment of an AI and Technology Development Centre, fostering innovation and digital transformation in Nigeria.

By supporting this initiative, we reinforce our dedication to education, innovation, and thought leadership, ensuring that future generations have access to the knowledge and tools needed to drive sustainable progress.

3. Revolutionizing Language Education with Artificial Intelligence

At Alternative Bank, our support for AI-driven education aligns with our broader vision to promote knowledge, digital literacy, and lifelong learning. This initiative reflects our Corporate Social Investment (CSI) strategy, ensuring that education remains accessible, inclusive, and adaptable to the evolving digital age.

We recognize the transformative power of Artificial Intelligence (AI) in education, particularly in language learning. As part of our commitment to inclusive education and digital empowerment, we supported the integration of AI-driven Arabic language learning for non-Arabic speakers, a significant milestone in educational technology in Northern Nigeria. We partnered in this to bridge Language Barriers, empower Communities, drive Digital Inclusion and promote Lifelong Learning.

The introduction of AI-based applications such as:

- **ArabicPod101** – Improves listening skills through immersive audio content.
- **Lingbe** – Enhances speaking abilities via real-time conversations.
- **Duolingo** – Strengthens reading comprehension with interactive lessons.
- **Scribe** – Develops writing proficiency with AI-assisted corrections.

By leveraging these innovative tools, non-Arabic speakers experience a structured, engaging, and interactive learning process, breaking traditional barriers to language acquisition.

Through this initiative, we are not just supporting language acquisition—we are empowering individuals, fostering cross-cultural understanding, and driving the future of AI-integrated learning.

4. Immersing in Creativity and Thought Leadership: Ake Books & Arts Festival 2024

From November 20 – 23, 2024, we proudly celebrated culture, creativity, and connection at the Ake Books & Arts Festival, held at Bon Hotels, Ikeja, Lagos. As an institution committed to education and literacy, our participation reinforced our dedication to fostering intellectual growth, creative expression, and knowledge-sharing in Africa.

We recognize that education is a cornerstone for economic empowerment, social progress, and national development. By supporting literary and cultural initiatives like Ake Festival, we:

- Promote storytelling and literacy as powerful tools for preserving African history and identity
- Foster critical thinking and creativity, which are essential for innovation and problem-solving
- Create access to learning opportunities that empower individuals to reach their full potential

Over the three-day festival, we engaged in:
- Book readings and discussions with renowned authors
- Plays, poetry events, concerts, and performances showcasing African creativity
- Workshops and masterclasses designed to enhance skills and knowledge
- Networking with industry leaders and creatives to build partnerships for social impact

Through our support for education, literacy, and cultural innovation, we are taking concrete steps toward bridging knowledge gaps, fostering lifelong learning, and driving inclusive development. As we look ahead, we remain steadfast in our mission to support initiatives that empower minds, unlock potential, and inspire the next generation of African leaders and creatives.

5. Enhancing Living and Learning Conditions at NYSC Camp in Sokoto

As part of our commitment to youth development, education, and improved living conditions, The Alternative Bank has extended its support to the National Youth Service Corps (NYSC) Orientation Camp in Wammako Local Government Area, Sokoto State. Recognizing the challenges faced by corps members during their service year, we donated dozens of plastic chairs and tables to enhance their learning and living conditions.

This initiative goes beyond providing furniture; it reflects our dedication to empowering the next generation of leaders. By addressing the inadequate seating and infrastructure at the camp, we are fostering a more conducive environment for corps members to learn, grow, and prepare for their future careers.

At Alternative Bank, we believe that investing in young people is key to national development. Our commitment to education, upskilling, and financial empowerment ensures that corps members are not only supported during their service year but are also equipped with the knowledge and resources to build successful futures. Through initiatives like this, we continue to drive sustainable impact, enabling Nigerian youths to thrive both professionally and personally.

6. Empowering Future Leaders: The Inaugural National Green Essay Competition

As part of Sterling Financial Holdings, National Sustainability Week activities, we partnered with Sterling Bank, Sterling One Foundation and the United Nations Sustainable Development Solutions Network (UNSDSN) for the maiden National Green Essay Competition in October 2024. The competition was aimed at engaging secondary school students across Nigeria in climate education and inspiring youth action for sustainable environmental practices.

The National Green Essay Competition was open to secondary school students from across Nigeria, including all 36 states and the Federal Capital Territory (FCT). As part of the competition, a comprehensive Climate Education Series was conducted, providing students with knowledge and resources to better understand climate change, sustainable development, and the Sustainable Development Goals (SDGs).

Impact

- A total of 2,000 students participated in the Climate Education Series, which was designed to provide them with the knowledge and tools to actively contribute to sustainability efforts.

- The Climate Education Series also reached 130 teachers, who were trained and equipped with new pedagogical methods and climate-related resources to educate and inspire their students on environmental topics.

- Secondary schools from all regions of Nigeria participated in the competition, helping to foster a nationwide conversation about climate action and sustainability

- The initiative provided an opportunity for students from diverse backgrounds to engage in important conversations about their role in shaping a sustainable future for Nigeria and the world.

- Through the essay competition, the students were able to not only express their views but also channel their thoughts into concrete ideas that can contribute to future sustainability initiatives in their communities.

We will continue our efforts in driving climate education and empowering young Nigerians to be at the forefront of sustainability actions.

Women Development Programs

1. Alternative Bank and NASFAT Partnership for Women's Economic Empowerment

In a groundbreaking initiative aimed at transforming women's economic empowerment, Alternative Bank proudly partnered with NASFAT to launch a visionary financial inclusion program. This initiative was officially unveiled during NASFAT's 8th Biennial Women's Conference, which took place from July 25 to July 28, 2024, at the Cultural Centre in Abeokuta, Ogun State. With the theme "Strengthening Women Leaders through Empowerment and Islamic Values," the event was an embodiment of Alternative Bank's commitment to promoting innovation, inclusion, and social change through ethical financial solutions.

The event commenced on Thursday, July 25, 2024, and culminated on Sunday, July 28, 2024, with a series of impactful activities including paper presentations, engaging panel sessions, a charity outreach to a local hospital, a visit to the traditional stool, leadership skill sessions, and a fundraising dinner. These activities provided valuable opportunities for women to learn, network, and gain leadership insights while also celebrating the power of Islamic values in guiding personal and economic empowerment.
At the heart of the conference was the unveiling of Alternative Bank's N250 million financing facility, specifically designed to empower women in micro-businesses. The facility offers individual financing of up to N500,000, with minimal documentation and no collateral requirements. This strategic financial product is designed to eliminate long-standing financial barriers, enabling women entrepreneurs to thrive in their businesses with ethical and halal financial solutions that align with Islamic principles.

As the conference concluded, the energy and enthusiasm in the room were palpable. Participants left with newfound inspiration and practical tools to transform their entrepreneurial dreams into reality. This partnership exemplifies how financial institutions, like Alternative Bank, can act as powerful agents of change, driving social and economic development through ethical, inclusive, and impactful banking solutions.

We are proud to have played a pivotal role in this landmark event and look forward to continuing our efforts to empower women, promote entrepreneurship, and support sustainable community development.

2. Empowering Women, Transforming Communities: The Launch of Kano State's Mata Zalla Electric Tricycle Initiative

In a landmark move aimed at transforming transportation while enhancing the security and economic empowerment of women, Kano State became the launchpad for an innovative electric tricycle program.

This groundbreaking initiative, spearheaded by Alternative Bank in partnership with the UK Government's Foreign, Commonwealth & Development Office (FCDO) and Qoray Mobility, is setting a new standard in both social impact and women's development. By providing women with fully electric tricycles and comprehensive training, the program is not only changing the landscape of transportation in Kano but also offering women a direct path to livelihood, empowerment, and economic independence.

The program has already made a remarkable impact, with 120 women from the Mata Zalla and Yar Baiwa cooperatives undergoing rigorous training to become proficient tricycle drivers and mechanics. These women are now equipped with the skills to operate electric tricycles, offering essential local transportation services and small-scale delivery businesses. This initiative is a significant step towards ensuring women's participation in the workforce, promoting self-reliance, and reducing the barriers they face in accessing economic opportunities.

This initiative represents a pivotal moment for women's empowerment in Kano State. By combining innovation in transportation with training, financial independence, and environmental responsibility, Alternative Bank and its partners have set a new precedent for how social impact programs can support women's development and livelihood. This program is not just about providing women with tricycles; it's about equipping them with the tools, skills, and opportunities to transform their lives and contribute to their communities in meaningful ways.

As the program continues to expand, Alternative Bank remains committed to driving forward this momentum, creating more opportunities for women across Nigeria. Together with its partners, the bank is dedicated to continuing to foster sustainable growth, women's empowerment, and community development across the nation.

Impact
- **Skill Development and Training**
- **Safety and Security**
- **Economic Empowerment:** the program provides a sustainable income-generating opportunity as the women can now independently offer transportation services, catering to local passengers and delivering goods within their communities. This not only boosts their financial independence but also contributes to the local economy through job creation and services.

- **Environmental Responsibility:** In line with Alternative Bank's commitment to sustainable development, the electric tricycles contribute to reducing carbon emissions and promoting environmental responsibility. This eco-friendly transportation solution aligns with global goals for a cleaner, greener future, creating a dual impact—both socially and environmentally.

3. Bridging the Healthcare Gap and Financial Inclusion for Makoko Women

Health is wealth, yet access to quality healthcare remains a challenge for many due to financial constraints and limited resources. Recognizing this gap, we partnered with Sustainable Development Goals for Her Initiative (SDGforHer) to execute a transformative health outreach in Makoko Community, Lagos State—bringing free medical services, financial literacy, and empowerment to women and youth.

On August 8, 2024, over 300 women benefited from free health screenings and medical consultations, with medical professionals conducting:

- Blood sugar and blood pressure screenings
- Weight, height, and BMI assessments
- General health checks and wellness education

Beyond healthcare, we reinforced our commitment to financial inclusion and literacy, educating women on:

- The importance of savings and financial empowerment
- Opportunities available through our non-interest banking solutions
- How financial stability improves overall well-being

This initiative was made possible through strategic partnerships with:

- Total Health Trust Ltd., a Tangerine Company, providing medical expertise
- Alternative Bank's Food Bank Project, ensuring over 300 participants received nourishing meals

- 150 women's data captured for account opening, expanding access to financial services

By integrating healthcare and financial empowerment, we are breaking barriers to access, improving women's health and economic opportunities, and reaffirming our dedication to social impact and sustainable development.

This is just one of many steps we are taking to ensure that no one is left behind—because good health and financial empowerment go hand in hand.

4. The Althaven Women MSME's Developmet and Pop-Up Event

On Sunday, July 28, 2024, Alternative Bank Althaven successfully hosted a Women's Pop-Up Event at the Althaven Space in Abuja. The event was designed to support women-led Micro, Small, and Medium Enterprises (MSMEs) by providing a platform to showcase their businesses, products, and services.

Althaven, a safe and empowering women-only space in Abuja, is dedicated to fostering creativity, collaboration, and community among women. This event marked another milestone in its mission to empower women entrepreneurs and drive economic inclusion.

Objectives of the Pop-Up Event include

- **Business Visibility & Market Access:** Provide women entrepreneurs with a space to showcase and sell their products.
- **Networking & Collaboration:** Foster meaningful connections among women in business, encouraging partnerships and shared growth.
- **Capacity Building:** Equip participants with business development insights through interactive sessions.
- **Financial & Digital Inclusion:** Educate attendees on banking solutions, financial literacy, and leveraging digital tools for business success.
- **Celebrate Women's Creativity and Innovation:** Highlight the unique products and services created by women entrepreneurs, celebrating their contributions to the economy.
- **Promote Economic Inclusion:** Support the growth of women-led businesses by connecting them with potential customers, investors, and collaborators.

Key Benefits and Outcomes

1. Increased Visibility for Women MSMEs:
- Over 50 women-led businesses showcased their products and services, reaching a diverse audience of potential customers and partners.
- Participants gained exposure through event promotions, social media coverage, and networking opportunities.

2. Economic Empowerment:
- Women entrepreneurs reported increased sales and new business leads generated during the event.
- Access to a supportive community and resources to help scale their businesses.

3. Networking and Collaboration:
- Attendees connected with like-minded entrepreneurs, industry experts, and potential investors, fostering long-term partnerships.
- Collaborative opportunities were explored, enabling women to leverage collective strengths for growth.

4. Skill Development:
- Interactive workshops and panel discussions provided practical insights on topics such as marketing, financial management, and digital

transformation.

- Participants left equipped with actionable strategies to overcome business challenges and achieve sustainable growth.

5. Community Building:

- The event reinforced Althaven's role as a safe and empowering space for women to connect, learn, and grow.
- A sense of camaraderie and mutual support was fostered among attendees, strengthening the women's entrepreneurial ecosystem.

6. Alignment with Sustainable Development Goals (SDGs):

- The event directly contributed to SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth), promoting women's economic participation and empowerment.

Through this initiative, the Bank reaffirmed her dedication to bridging economic gaps, driving women's financial independence, and creating long-term business sustainability.

This is more than an event—it's a movement toward inclusive growth and gender equality in entrepreneurship.

5. The Maiden Edition of Althaven Women Masterclass Series

In November, we proudly launched the Maiden Edition of the Althaven Women Masterclass Series, a transformative program aimed at empowering women leaders, professionals, entrepreneurs, undergraduates, and aspiring tech and socialpreneurs. This masterclass focused on building capacity in several key areas, including developing effective content strategies, storytelling through film, forming impactful partnerships for social development, and influencing policy development.

Through an innovative approach, participants learned how to leverage partnerships and storytelling as tools for changing perspectives and behaviors. They also gained valuable insights into harnessing the power of communication and content strategy while learning to manage their own motivational mechanisms. The sessions provided participants with the skills and confidence to drive change in their communities and industries.

This initiative aligns closely with our goal of fostering creativity, collaboration, and community, and reflects our unwavering commitment to achieving gender equality and human rights for women and girls. We believe that empowering women and girls is crucial to enabling them to realize their full potential, and this masterclass series is a vital step toward achieving that vision.

At Alternative Bank, we are devoted to enhancing education, training, and programs that support women in assuming leadership roles across all sectors. We are committed to increasing the number of female leaders in decision-making positions in political, economic, academic, and public life. The Althaven Women Masterclass directly reflects this commitment, showcasing our dedication to supporting the next generation of female leaders.

The masterclass series received an overwhelming response, with high participation, engagement, and positive feedback. This has highlighted the need to scale the program and consider in-person sessions to facilitate further interaction and networking. We look forward to continuing the series in 2025, expanding its reach, and providing even more women with the tools and knowledge to drive change.

Through initiatives like the Althaven Masterclass, we are proud to play a part in empowering women and creating a more equitable and inclusive future for all.

6. Empowering Women, Transforming Lives: The Light Her Program in Katsina

On November 10, 2024, we launched a transformational initiative to empower 2,000 women across 10 communities in Katsina with essential financial literacy, business management, and digital skills. This groundbreaking program, implemented in partnership with the Aziza Development Foundation under the Light Her Program, is designed to equip female micro-entrepreneurs with the tools needed to overcome barriers such as low financial literacy, limited access to finance, digital exclusion, and inadequate business skills—ultimately enhancing their livelihoods and fostering financial independence.

Prior to the launch, our team in Katsina, led by Branch Manager Aisha Nasir, actively engaged key stakeholders to ensure widespread adoption and sustainability. These engagements included:

- **Ministry of Women Affairs**
- **Office of the First Lady**
- **Ministry of Local Government and Chieftaincy Affairs**
- **The Emir of Katsina**
- **National Council for Women Service (NCWS)**

Additionally, our partners facilitated a Train-the-Trainer session, equipping 20 volunteers and 15 community leaders with the necessary skills to drive the program's implementation at the grassroots level

This initiative reinforces our unwavering commitment to gender equality and women's economic empowerment—key pillars in our social impact strategy. By reducing financial and digital exclusion, we are fostering economic growth, improving family well-being, and contributing to poverty reduction across communities.

As we expand this program to more communities, we remain dedicated to bridging inequalities, promoting inclusive growth, and creating lasting change for women and their families.

Health Initiatives

1. Supporting Mental Health: A Commitment to Well-being and Identity

In today's fast-paced world, the challenge of defining personal identity is increasingly complex, shaped by societal expectations, professional pressures, and the pervasive influence of social media. Recognizing the critical link between identity and mental well-being, Alternative Bank proudly partnered with sterling bank and Pinnacle Medical Services for the second edition of the Mental Health Conference on October 13, 2024, at the Oriental Hotel Ballroom, Victoria Island, Lagos.

With the thought-provoking theme, "Who Are

You, Really?", the conference created a space for individuals to explore the deep and often complicated relationship between self-identity and mental health. Identity is not static but evolves through experiences, choices, and external influences. For many, navigating this journey is challenging, especially amid personal and professional demands, gender expectations, and the constant digital noise.

Led by renowned psychiatrist and mental health advocate, Dr. Maymunah Yusuf Kadiri, the conference convened mental health professionals, advocates, and thought leaders to discuss identity crises, the impact of trauma on self-perception, and the role of multicultural experiences in shaping identity. Through interactive sessions, panel discussions, and expert-led dialogues, participants gained practical tools for personal growth, self-awareness, and mental resilience.

As a bank that values holistic well-being and sustainable development, our support for this initiative underscores our commitment to mental health advocacy, ensuring that individuals and communities are equipped with the resources needed to foster emotional wellness, self-discovery, and a healthier society

2. Advancing Health and Well-being: Alternative Bank's AltHealth Drive

Access to quality healthcare and universal health coverage remains a critical challenge, particularly in underserved communities. In alignment with our commitment to Sustainable Development Goal (SDG) 3 – Good Health and Well-being, Alternative Bank organized the AltHealth Drive, a five-day medical outreach held from December 10–14, 2024, at our Lekki premises in Lagos, Nigeria.

This initiative was designed to bridge the healthcare gap by providing free essential medical services to individuals who may not have regular access to healthcare. Over five days, we engaged 392 participants, offering:

- Blood pressure and blood sugar screenings to promote early detection of hypertension and diabetes.
- Eye screenings for 100 participants, leading to the distribution of 23 pairs of prescription glasses to those in nzeed.
- Medication distribution and wellness consultations to support overall health management.

A highly interactive health education session, empowering participants with knowledge on chronic disease prevention and general wellness. The AltHealth Drive was well received, with many participants expressing gratitude for the eye screening services, which proved to be a key highlight. More than just a healthcare intervention, this initiative reinforced our dedication to community well-being, trust-building, and social impact. Through initiatives like this, Alternative Bank continues to champion health access, inclusion, and community-driven solutions, ensuring that more individuals can lead healthier, more fulfilling lives.

3. Enhancing Healthcare Access: Supporting the Niger State Contributory Health Scheme (NGSCHS).

Access to quality healthcare remains a significant challenge for many Nigerians, particularly for low-income earners and informal sector workers. Recognizing the need for sustainable healthcare financing, Alternative Bank proudly supported the Niger State Contributory Health Scheme (NGSCHS) in advancing their Social Health Insurance Scheme (NiCare).

This initiative is designed to promote financial risk protection and equitable access to essential healthcare services by pooling resources and ensuring cost-sharing mechanisms that reduce the burden of out-of-pocket healthcare expenses. Our support was instrumental in the Health Insurance Campaign, which aimed to educate traders and market participants on the NiCare Standard Benefit Package—a comprehensive healthcare coverage plan tailored to meet the needs of individuals and families.

Through this partnership, we contributed to raising awareness and facilitating access to:

- **Comprehensive Coverage:** Ensuring individuals and families receive essential medical services.
- **Access to Quality Healthcare Providers:** Connecting beneficiaries to accredited hospitals and clinics.
- **Preventive Care Services:** Encouraging early detection and management of health conditions.
- **Easy Enrollment Process:** Simplifying access to healthcare through a seamless registration system.
- **Continuity of Care:** Guaranteeing long-term medical support for enrollees.
- **Enhanced Health Outcomes:** Promoting overall well-being by reducing healthcare disparities.

By supporting NiCare, we reaffirm our commitment to Sustainable Development Goal (SDG) 3 – Good Health and Well-being, ensuring that more Nigerians, especially those in vulnerable communities, can access affordable, quality healthcare services. Through strategic partnerships like this, Alternative Bank continues to drive social impact, financial inclusion, and sustainable development across Nigeria.

4. Championing Women's Health: Supporting Menopause Awareness and Care

As part of our commitment to improving health outcomes for women and girls, Alternative Bank supported the Menopausal Community Support Initiative, a public health initiative dedicated to raising awareness, providing education, and advocating for better healthcare access for perimenopausal and postmenopausal women.

With women living longer, quality healthcare and support systems are essential to ensure a smooth transition through menopause and promote healthy aging. Unfortunately, awareness and access to menopause-related services remain limited. Through this initiative, we are advocating for the inclusion of menopause care—diagnosis, treatment, and counseling—within universal health coverage, ensuring that women receive the support they need to maintain their well-being at every stage of life.

Menopause is a significant transition that affects a woman's personal and professional life, as well as long-term health. Despite its impact, awareness and access to menopause-related healthcare services remain limited in many regions. Addressing this gap is critical to promoting healthy aging and overall well-being.

Our commitment extends beyond financial support; we aim to drive meaningful change by fostering conversations, promoting inclusivity in healthcare, and ensuring that women have the resources needed to thrive.

Youth Development & Creative Enterprise

1. The Youth Social Innovation Summit in Lagos

In line with the Bank's ongoing commitment to fostering youth development and leveraging the significant demographic dividend, we partnered with the Eunoia Youth Social Impact Initiative to host the inaugural Youth Social Innovation Summit at Lagos State University on November 27, 2024. The summit, themed "**Policy Making and Youth Engagement: Shaping the Future Together**," brought together thought leaders from various industries and academia, who shared their insights through goodwill messages. The event featured a mix of paper presentations, lectures, panel sessions, fireside chats, and partner moments, offering us a platform to present the bank's offerings to an engaged audience.

This summit provided a dynamic and interactive space for young innovators and students to engage with policymakers and business leaders on critical issues. Attendees were equipped with valuable knowledge in business fundamentals, financial literacy, digital opportunities, and the Global Sustainable Development Goals.

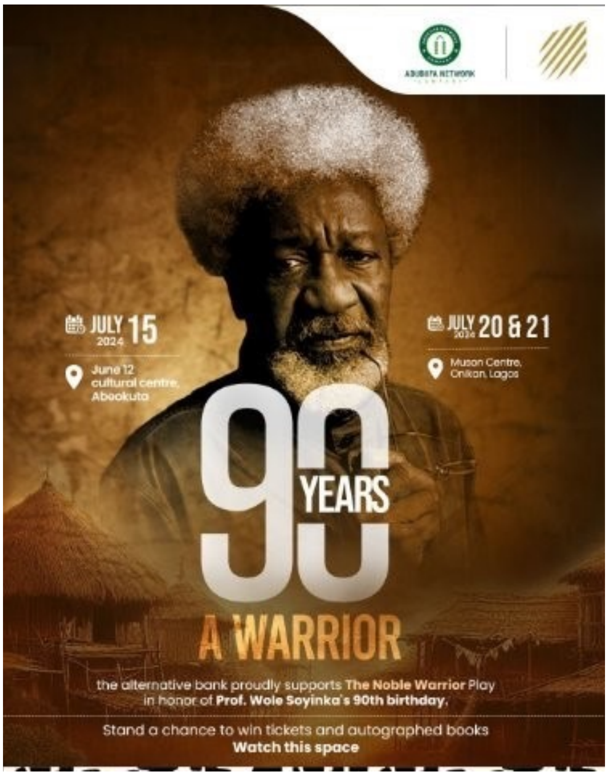
The Bank's presentation was met with enthusiastic applause, signaling the positive reception of our youth-centric solutions. This response translated into a significant increase in inquiries and account openings, underscoring the impact of our engagement and the relevance of our offerings to the next generation of leaders.

2. Celebrating Creativity, Honoring Legacy: Our Support for The Noble Warrior – Eni Ogun

In 2024, as part of our unwavering commitment to youth development and the creative economy, we proudly supported the special theatre presentation of "**The Noble Warrior – Eni Ogun,**" written by Aiye-ko-ooto. This landmark production honored the 90th birthday of the global literary icon, Professor Wole Soyinka, a towering figure in African literature and theatre.

In collaboration with the producers and key stakeholders, we:

- Promoted the production through strategic marketing and audience engagement



- Engaged industry leaders and creatives, fostering meaningful conversations on the role of theatre in youth empowerment
- Showcased the intersection of arts, business, and social change, reinforcing our commitment to cultural preservation and creative innovation

This partnership was more than a celebration of artistic excellence—it was a bold statement on the power of storytelling, performance, and creative expression in shaping narratives, inspiring young Nigerians, and preserving cultural heritage.

By championing theatre and investing in the next generation of storytellers, we reaffirm our dedication to fostering a dynamic creative ecosystem—one that nurtures talent, drives economic inclusion, and ensures that Africa's artistic legacy continues to thrive for generations to come.

The event held at the Muson Centre Lagos on 15th July, 2024, drew literary scholars, cultural enthusiasts, top managements of the bank, customers and dignitaries who gathered to celebrate Prof. Wole Soyinka's significant contributions to literature, drama, and social activism.

Agric & Food Security

Advancing Food Security: Our Participation at the 7th Agric Summit Africa

From November 11th – 12th, 2024, we proudly participated in the 7th edition of the Agric Summit Africa (ASA), held at the Transcorp Hilton, Abuja.

Under the theme "Transitioning from Scarcity to Security," the summit brought together policymakers, industry leaders, agricultural experts, and key stakeholders to explore innovative solutions for achieving food security in Africa. Discussions focused on sustainable agricultural practices, cutting-edge innovations, and strategic investments—paving the way for Africa to not only meet its own food demands but also emerge as a global agricultural powerhouse.

The summit provided an invaluable platform for:

- High-level networking and investment opportunities
- Expert-led panel discussions on critical agricultural challenges and solutions
- Keynote addresses from influential thought leaders in the sector

Africa, with its vast arable land, favorable climatic conditions, and a youthful population, holds immense potential to become a global leader in agriculture but as of 2022, 868 million in Africa were already affected by moderate to severe food insecurity.

As an annual flagship event, ASA continues to shape the future of agriculture by bringing together decision-makers and industry pioneers to address the continent's most pressing agricultural challenges.

Our participation reaffirms our commitment to driving sustainable agricultural growth, fostering economic resilience, and supporting the development of innovative financing solutions that empower agribusinesses and farmers across Africa.

Environmental, Humanitarian and Disaster Support

1. Flood Response and Relief Efforts in Maiduguri

On September 9, 2024, a catastrophic flood struck Maiduguri, triggered by the breach of the Alau Dam, located approximately 20 kilometers

away from the city. The dam's structural damage, compounded by heavy rainfall across Bama, Damboa, and Gwoza LGAs, led to severe flooding, submerging around 40% of Maiduguri. The scale of the disaster was immense, affecting over 400,000 individuals. In response, government authorities evacuated the displaced populations to 36 temporary relocation sites, including existing Internally Displaced Persons (IDP) camps and informal settlements.

In light of the urgent and overwhelming needs of the affected households, our organization launched an immediate campaign to provide critical assistance to the displaced and vulnerable populations in Maiduguri. Our intervention included the provision of essential non-food items (NFIs) and cash transfers, which were rapidly collected, processed, and distributed to the affected communities.

This initiative played a vital role in alleviating the immediate suffering of the flood victims, many of whom were already facing hardship due to the prolonged lean season in the region. The timing of the disaster exacerbated an already dire socio-economic crisis, marked by national food insecurity and economic instability, further increasing the vulnerability of the affected population.

The flood response efforts align with our commitment to the Sustainable Development Goals (SDGs), particularly:

SDG 1: No Poverty: By providing essential non-food items, we aimed to reduce the immediate financial burden on displaced families, improving their access to necessities and fostering resilience in the face of economic instability.

SDG 2: Zero Hunger: The flood exacerbated food insecurity during the lean season. Our support focused on ensuring that displaced populations had access to food and non-food assistance, mitigating the risk of malnutrition and hunger.

SDG 11: Sustainable Cities and Communities: By assisting the affected populations, we contributed to the building of resilient communities that can withstand future shocks, particularly in the face of climate change-induced flooding.

SDG 13: Climate Action: This intervention highlights the importance of preparedness and response to the impacts of climate change, particularly in regions vulnerable to extreme weather events. Our actions reinforced the need for climate resilience measures to protect communities from future disasters.

Through our coordinated response to the Maiduguri flooding, we not only addressed immediate humanitarian needs but also contributed to longer-term efforts aimed at fostering resilience, sustainability, and socio-economic stability for those affected.

This report underscores our commitment to the affected communities and our continued efforts to drive meaningful social impact, particularly in regions facing heightened vulnerability due to socio-economic challenges and environmental risks.

2. Waste for Social Impact Initiative and Campaign – Tackling Plastic Pollution

Despite the growing global awareness of plastic pollution, the practical challenge of widespread plastic collection remains a significant hurdle. The OECD's first Global Plastics Outlook highlights that rising populations and incomes are driving an ever-increasing demand for plastic, with production soaring to over 400 million tons annually. Unfortunately, policies to address plastic waste leakage into the environment have been insufficient, and between 19-23 million tons of plastic end up in lakes, rivers, and seas every year.

Fighting plastic pollution has become one of the most pressing environmental challenges of our time. The effects on ecosystems, wildlife, and human health are profound, and urgent action is needed to combat the rise of plastic waste. At Alternative Bank, we believe that a collaborative, proactive approach is essential in addressing this crisis, which is why we have committed to driving real, impactful change through our Waste for Social Impact initiative.

As an institution that values sustainability and environmental responsibility, Alternative Bank recognizes the pivotal role we play in shaping a future where plastic pollution is minimized, and resources are efficiently recycled. The challenge is clear: while there is significant awareness about the dangers of plastic pollution, the infrastructure to address the scale of the problem is lagging. By stepping up to the challenge, we aim to lead

by example, providing our community with tools, incentives, and education to drive meaningful change in plastic waste management.

We believe that integrating sustainable practices within our operations not only mitigates environmental harm but also builds a culture of responsibility and innovation. The Waste for Social Impact initiative reflects our commitment to turning this belief into action, leveraging our resources and network to make a tangible impact.

The Waste for Social Impact initiative is designed to address plastic waste collection while simultaneously fostering a circular economy. The program focuses on three key areas:

1. Exponential Growth in Household Plastic Collection. By promoting plastic collection at the household level, we aim to drastically increase the number of collected plastic items. This effort will help to reduce plastic waste accumulation in the environment and will provide an opportunity to reward and incentivize staff, customers, and agents for their participation.

2. Creating Visibility and Raising Awareness. We are committed to making plastic collection more visible and accessible. Through strategically placed collection kiosks and partnerships with local communities, we aim to raise awareness about the environmental impacts of plastic pollution and provide convenient solutions for people to take action.

3. Incentives and Passive Income for Participants. To make the initiative even more compelling; participants will receive incentives for their contributions. This includes staff, customers, and agents who can benefit from passive income opportunities, making the act of recycling not only an environmentally responsible choice but also a rewarding one.

Other Programs and Community Engagement & Support Projects

1. Reimagining Africa's Blueprint for Sustainable Growth in ASIS

On July 25-26, 2024, we joined critical stakeholders, development partners, and impact investors and partnered at the Third Africa Social Impact Summit (ASIS), held at the prestigious Eko Hotel Convention Centre in Lagos. This influential event brought together leaders from diverse sectors to accelerate action towards achieving the Sustainable Development Goals (SDGs) across Nigeria and Africa.

The Africa Social Impact Summit serves as a vital multi-sectoral platform, dedicated to advancing the SDGs and fostering collaboration between the public and private sectors. This year's two-day summit aimed to achieve several key objectives:

Establishing a Collaborative Framework: The summit focused on fostering collaboration among the public and private sectors, as well as the development community, to create measurable impact through influence and advocacy. By creating these synergies, the event emphasized the importance of collective action in tackling the continent's most pressing issues.

Promoting Impact Investment Opportunities: One of the summit's main goals was to provide impact investment opportunities for social enterprises in critical sectors, addressing vital needs and supporting the scaling of solutions aligned with the SDGs.

Stimulating Stakeholder Involvement: The summit sought to stimulate increased participation from both public and private stakeholders in developing policies that would accelerate the achievement of the SDGs. It also underscored the importance of supporting Africa's new action plan under the African Union 2063 Agenda, aligning efforts to build a prosperous and sustainable future for the continent.

Our Executive Director, Mrs. Korede Demola-Adeniyi, was honored to serve as a discussant at a key panel session focused on "**Scaling Catalytic Capital in Africa for Sustainable Economic Prosperity.**" This conversation highlighted the need for innovative financial solutions to drive long-term impact, emphasizing the role of catalytic capital in unlocking sustainable development across Africa.

The Africa Social Impact Summit provided an invaluable platform for thought leadership, partnership building, and the sharing of insights on how we can all contribute to a more inclusive and prosperous Africa. At this summit, we reaffirmed our commitment to supporting initiatives that drive progress towards the SDGs and contribute to the continent's sustainable development.

We look forward to the continued collaboration with fellow stakeholders, development partners, and investors, as we work together to create a measurable impact on the social and economic landscapes of Africa.

2. Alternative Bank Partners with Ikoyi Golf Club for Nigeria Cup 2024

Alternative Bank proudly partnered with the prestigious Ikoyi Golf Club to sponsor the 27th Nigeria Cup Golf Tournament, which officially kicked off on Sunday, October 22nd, 2024, at the club's scenic and expansive course in Ikoyi, Lagos. This strategic collaboration between two esteemed organizations underscores our shared commitment to promoting harmony through sports, social interactions, youth development, and impactful philanthropic initiatives.

A standout feature of this year's tournament was the inaugural "Golf for Good" charity event—a unique 3-hole mini-golf tournament designed to raise funds for charitable causes. Participants, including the bank and event attendees, generously contributed to this transformative initiative aimed at equipping young and aspiring caddies with essential digital literacy and entrepreneurial skills. This initiative reflects our dedication to empowering youth with the skills needed to thrive in an increasingly digital and entrepreneurial world.

In recognition of their remarkable achievements, winners of both the Bunker Contest and the Mini Golf Charity Tournament were awarded exclusive prizes, including access to Alternative Bank's AltClub private lounge at MMA 2, an exclusive space for frequent flyers. In addition, winners received the coveted Gold MasterCard World card, which offers a range of premium perks, such as access to private airport lounges worldwide, discounts at luxury hotels, complimentary travel insurance, and more.

The Nigeria Cup, Nigeria's premier golfing event, spanned an exciting weeklong programme featuring competitions for professionals, caddies, children, and special guests. The tournament showcased top-tier golfing talent while providing valuable opportunities for community engagement, social networking, and charitable giving. Hundreds of professional golfers participated, contributing to the tournament's atmosphere of excellence and camaraderie. The event culminated in a glamorous gala night on October 28, celebrating the achievements of the golfers and patrons.

In his remarks about the partnership, George Etomi, Chairman of the Planning Committee for the Nigeria Cup, expressed his appreciation for Alternative Bank's headline sponsorship of the event: "*We are proud of Alternative Bank's support of the 27th Nigeria Cup. Their partnership has added tremendous value to this year's tournament, and we are grateful for their ongoing support. We look forward to continuing this fruitful collaboration and seeking more like-minded partnerships that benefit the golfing community both in Lagos and beyond*."

Alternative Bank's sponsorship of the Nigeria Cup 2024 further underscores our commitment to fostering meaningful relationships with our customers and supporting initiatives that contribute to the betterment of society.

By supporting sports, youth development, and charitable causes, we continue to make a positive impact on the communities we serve, demonstrating our belief in the power of collaboration and social responsibility.

3. Partnership with IBB International Golf & Country Club for the 2024 Independence Cup

In celebration of Nigeria's 64th independence anniversary, we proudly partnered with the IBB International Golf and Country Club, Abuja, as they hosted the 2024 Independence Cup. The golf tournament, which took place from September 26th to October 1st, 2024, brought together some of the most talented golfers from Nigeria and around the world.

This sponsorship reflects our continued commitment to supporting sports, promoting wellness, and fostering community engagement. The tournament served as a vibrant platform for golfers of all levels—ranging from top professionals to veterans and super veterans—to compete, network, and forge new business partnerships in a relaxed yet competitive environment.

The weeklong event kicked off with a spirited competition among the caddies and staff on Wednesday, who battled for trophies and various gifts. Thursday saw the ladies' section take the spotlight, with a special celebration honoring past captains and lady captains of the club, making the day a unique tribute to the club's history and leadership.

On Friday, golfers from the handicap community (28+ for ladies and 19+ for men) as well as veterans and super veterans took to the course,

swinging for honor and celebrating Nigeria's independence in style. On Saturday, golfers in the ladies' handicap 11-27 and men's handicap 11-18 categories competed fiercely for recognition and pride.

The weekend featured a double matchplay on Sunday between teams from Nigeria, Ghana, Uganda, Cameroon, and Rwanda, as they gathered to celebrate with us. On Monday, the competition continued with a single matchplay between the same nations. The grand finale of the event took place on October 1st, with the Sports Minister and other distinguished government officials teeing off the Independence Anniversary tournament at 9 a.m. The event concluded with a grand Independence Dinner and a prize-giving ceremony, marking the successful culmination of the week's festivities.

Our partnership with the IBB International Golf and Country Club for the 2024 Independence Cup has not only provided an exceptional sporting experience but also contributed to strengthening ties within the golfing community and beyond. The event facilitated invaluable networking opportunities, fostered cross-border collaborations, and helped create a lasting impact through sports in Nigeria.

As a proud sponsor, we reaffirm our commitment to promoting wellness, social engagement, and community development through continued support for impactful initiatives.

4. Advancing Peace, Unity, and National Development through Faith-based Strategies

In a shared commitment to peace, unity, and national development, the Bank proudly partnered with 1Ummah for the 2024 Peace & Unity Convention. This strategic collaboration provided practical, faith-based strategies to empower Muslims in their personal, professional,

and community lives. At the heart of the event was the theme "Resilience Recovery: The Role of Our Faith in Handling Crises in Today's Modern World," emphasizing the transformative power of faith in navigating the complexities of today's challenges. The convention offered a comprehensive two-day program, featuring various sessions designed to inspire, educate, and equip participants with tools for personal and professional growth. One of the key sessions, ***Business Solutions: Faith and Conviction for Business and Career Development***, aimed to help participants integrate their faith and conviction into their career and business strategies.

By emphasizing resilience, purpose-driven leadership, and alignment with Islamic principles, the session provided actionable insights into overcoming crises, fostering entrepreneurship, and promoting financial literacy. Key topics discussed during the event, addressed by renowned Islamic scholars and experts, included: ***Career Development: Navigating Professional Growth as a Muslim***

- Exploring the future of work and strategies for Muslim professionals to succeed while staying true to their values. Advancing Peace, Unity, and
- Beyond Profit, Disrupt or Be Disrupted, Women in Business – A thought-provoking discussion on the role of women in business, entrepreneurship, and innovation, promoting inclusivity and strategic disruption in the marketplace.
- Mental Wellness: The Impact of Faith and Conviction on Mental Health and Wellbeing – Exploring the vital connection between faith and mental health, offering tools for resilience, and strategies to maintain wellbeing amidst challenges.
- Redefining Heroism, Breaking Chains, Healing the Heart, Embracing Vulnerability & Seeking Support – Addressing emotional resilience, the importance of seeking help, and redefining strength within the context of faith.
- Resilience in Global Changes & Innovation Within the Muslim Ummah – Understanding how the Muslim community can adapt to global shifts while fostering innovation and maintaining cultural and religious identity.
- From Darkness to Light: Nurturing Hope and Resilience in the Midst of Despair – Fostering hope and resilience during challenging times, promoting the power of faith in overcoming adversity.
- Global Change, Faith and Conviction, Community Solidarity, The Quantum Leap of Faith – Encouraging a global vision of unity, faith-driven action, and collective efforts to address societal challenges.
- Family Dynamics; Innovation Through Faith: Rethinking Solutions to Global Challenges – Exploring how faith can shape family structures and foster innovative solutions to

contemporary global issues.

- Beyond Surviving: Thriving in the Face of Trauma and Adversity – Providing guidance on how to thrive and overcome the scars of trauma, leveraging faith and community support for healing and growth.

This collaboration with Ummah is a reflection of the Bank's ongoing commitment to fostering unity, peace, and national development. The program created a platform for open dialogue and empowerment, equipping participants with the tools to lead with purpose, resilience, and conviction in their personal, professional, and community endeavors. By addressing critical topics such as career development, mental wellness, entrepreneurship, and faith-driven leadership, this partnership significantly contributes to shaping a future where the Muslim community can thrive and make meaningful contributions to national and global progress. In the face of challenges, this partnership continues to reinforce the importance of faith-based strategies in building resilient communities, promoting peace, and supporting sustainable development.

5. Fighting Hunger, Supporting Education: Alternative Bank Walk for Impact

In response to the urgent challenges of hunger and the increasing number of out-of-school children in Nigeria, the Bank has strengthened its commitment to social responsibility by partnering with Foodbank and the Sterling One Foundation. Together, we launched a powerful campaign aimed at raising N20 million to support initiatives focused on hunger alleviation and educational programs for Nigeria's most vulnerable and indigent communities.

The importance of this initiative cannot be overstated. Addressing both food security and access to education is critical to the country's

development. This campaign aligns with the African Union Summit 2024's theme, "Educate and Skill Africa for the 21st Century," underscoring the role of education in building a more resilient and empowered society. The Bank recognizes that education is a powerful tool for breaking the cycle of poverty, while food security ensures that children have the strength and ability to attend school and thrive.

The AltWalk, a key fundraising platform for the campaign, was designed to mobilize contributions from a wide range of stakeholders, including internal and external partners, in a unified effort to tackle these pressing issues. By leveraging the collective support of individuals, families, businesses, and organizations, the campaign emphasized the need for collaboration to end hunger, enhance education, and foster healthier communities.

Through this initiative, the Bank reaffirms its dedication to advancing education and societal welfare. By addressing the dual challenges of hunger and educational access, we are not only meeting immediate needs but also laying the groundwork for long-term positive change, thereby creating a brighter and more sustainable future for Nigeria's children and communities.

6. Promoting Youth Talent in The Creative Space

Africa is home to the youngest population globally, making youth development a critical issue—especially in Nigeria, which has the largest youth population on the continent. It is essential to empower young people, positioning them as agents of change who can advocate for their futures and lead societal transformation.

As part of our commitment to youth empowerment, Alternative Bank participated in the British Council Premiere of the 10 short films from the first cohort of the Film Lab Africa program, which premiered at the Nigerian International Film and TV Summit 2024. The event was held at the Legend Hotel Lagos Airport, Curio Collection by Hilton on August 28, 2024.

The premiere event was a dynamic celebration of creativity and talent, featuring a series of networking opportunities, panel discussions, and stakeholder engagements. In collaboration with the Sterling One Foundation and Filmmaker Tolu Ajayi, a panel session explored the impact of industry support on the development of emerging filmmakers. The event also included red carpet moments, short film screenings, and creative performances, showcasing the immense potential of the next generation of storytellers.

Through initiatives like this, Alternative Bank remains dedicated to fostering the growth and development of young talent, contributing to the achievement of the Sustainable Development Goals (SDGs), particularly SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth). We continue to invest in empowering young people, helping them realize their potential and shaping a brighter future for the continent.

7. Bridging the Housing Deficit for Lagosians

Cities serve as vibrant hubs for ideas, commerce, culture, science, and human development, contributing significantly to social, human, and economic growth. Sustainable urban development hinges on addressing key issues such as urban planning, transportation, water, sanitation, waste management, disaster risk reduction, and access to education, information, and capacity-building.

It was a moment of great excitement as the Lagos State Governor officially commissioned the 170-unit apartment of the Raymond Estate and Sterling Heights Housing Project, financed by Alternative Bank, on Friday, August 16, 2024. The ceremony took place in the Agboyi-Ketu Local Council Development Area (LCDA), Ketu, Lagos State.

This project was designed to address the growing housing deficit in Lagos, which currently exceeds 3 million units. It also supports the initiative to provide affordable housing solutions for low and medium-income earners, aiming to create better living conditions for the city's rapidly expanding population.

By financing this project, Alternative Bank reaffirms its commitment to fostering innovative solutions that have a meaningful and positive impact on the communities we serve. This initiative strongly contributes to the achievement of Sustainable Development Goal (SDG) 11, which seeks to make cities and human settlements inclusive, safe, resilient, and sustainable. Through such efforts, we continue to play an active role in shaping the future of urban living and development in Lagos.

8. Enhancing Financial Inclusion and Supporting Small Businesses in Bogije

In a continued effort to enhance access to banking services, promote financial inclusion, and bring the Bank's offerings closer to the people, we proudly organized a 2-day Shopping Fair in Bogije, Ibeju Lekki, Lagos, on August 31st and September 1st. This impactful event was specifically tailored to support small and medium-sized enterprises (SMEs), workers, local residents, and business owners within the community, fostering an environment of growth, engagement, and collaboration.

The Shopping Fair was designed to address the unique needs of local entrepreneurs and consumers by creating a platform for direct engagement between business owners, vendors, retailers, and the broader community. Through this event, we not only showcased a wide range of products and services but also emphasized the importance of financial literacy, access to banking solutions, and the vital role of SMEs in driving economic growth at the grassroots level.
The fair served as an enchanting experience that brought together the community, fostering connections, supporting local businesses, and empowering the people of Bogije. By creating an opportunity for vendors and retailers to showcase their products, the event contributed to boosting local commerce and creating greater awareness of the Bank's services within the community. This directly aligns with our commitment to promoting economic development and providing accessible financial solutions that empower SMEs and local businesses.

The fair offered more than just a marketplace for products; it was a platform for education, financial inclusion, and community-building. Participants were provided with the opportunity to learn more about the Bank's services, including small business loans, savings products, and other tailored financial solutions designed to support the growth and sustainability of local businesses.

Sustainability Governance Dimension

Sterling Financial Holdings Company is committed to strategic sustainability through a robust framework of codes, standards, and guidelines that shape our business operations. These governance structures underpin our commitments to environmental sustainability, corporate social responsibility (CSR), diversity, equity, and inclusion (DEI), risk management, and responsible banking.

As an integral part of Sterling Financial Holdings, Alternative Bank operates within the same corporate governance framework while delivering a distinct, customer-centric approach. Recognizing the limitations of conventional banking, we are redefining the banking experience by offering innovative, ethical, and personalized financial solutions. Since receiving provisional approval in January 2014 to operate a non-interest banking window under Sterling Bank, we have remained steadfast in our mission to advance financial inclusion and uphold ethical banking principles.

A significant milestone was achieved in July 2023 when the Central Bank of Nigeria (CBN) granted us a full banking license, enabling Alternative Bank to function as a standalone institution within Sterling Financial Holdings. This transition has strengthened our ability to expand our services while maintaining strict adherence to ethical finance principles. Alternative Bank's governance and banking activities are guided by ACE—our Advisory Committee of Experts—ensuring compliance with Non-Interest Banking (NIB) principles and Shari'ah guidelines while prioritizing customer needs and financial inclusion.

Effective governance is fundamental to our business success. We have established a governance system that ensures oversight at both the board and executive levels, supporting the implementation of strategic business objectives. At the operational level, this system drives the development of policies, procedures, and protocols that ensure compliance with all applicable laws, regulations, and ethical standards. Additionally, it provides mechanisms for performance monitoring, risk tracking, opportunity evaluation, and informed decision-making.

Sterling Financial Holdings upholds an approved Corporate Governance Policy, which reflects our evolving business structure, industry dynamics, and regulatory landscape. This policy is accessible to all employees, reinforcing transparency and accountability. Furthermore, we maintain a dynamic Environmental and Social (E&S) governance structure within our Enterprise Risk Management Group, led by the Group Chief Risk Officer (GCRO). This structure includes a dedicated Sustainable Banking Working Group (SWG) and oversight from the Board Risk Management Committee (BRMC), ensuring the integration of sustainability and E&S considerations into our operations, policies, and procedures.

Codes, Standards And Guidelines

Sterling Financial Holdings Company is committed to financial success while upholding ethical conduct, sustainability, and societal impact. The organization employs a comprehensive framework of codes, standards, and guidelines that underpin its operations. These principles are not abstract; they serve as a strategic roadmap, ensuring that all decisions—both daily and long-term—align with the Holdings' core values. This governance framework prioritizes long-term value creation, integrating profitability with environmental responsibility, employee well-being, and community development.

Key areas of focus include minimizing environmental impact, advancing corporate social responsibility, and fostering diversity, equity, and inclusion. Sterling Financial Holdings Company is dedicated to creating a workplace where all individuals feel valued and have equal opportunities. Effective risk management is another critical pillar, enabling the organization to anticipate and mitigate challenges. Additionally, the organization upholds responsible business practices, ensuring all operations are conducted with integrity and transparency.

Recognizing that policies alone are insufficient, Sterling Financial Holdings prioritizes a strong ethical culture driven by its people. Cultivating ethics and compliance is central to its approach, ensuring employees not only understand the regulations but also appreciate their significance. To embed these principles, the Holdings invests in extensive training programs, beginning at onboarding and continuing throughout employees' careers. These programs emphasize ethics, governance, and sustainability, equipping employees to navigate complex decisions with integrity, builing a workforce that is not only skilled and knowledgeable but also dedicated to upholding the organization's reputation, financial stability, and positive societal imp act.

Behavioral Codes

Sterling Financial Holdings Compnay upholds a comprehensive set of Behavioral Codes designed to foster professionalism, respect, and ethical conduct in the workplace. These codes establish clear expectations for employee interactions with both internal and external stakeholders, promoting a culture of civility, a positive work environment, and enhanced productivity. By aligning with the organization's core values, these behavioral codes serve as a guiding framework for maintaining high standards of conduct and improving overall performance.

Whistleblowing

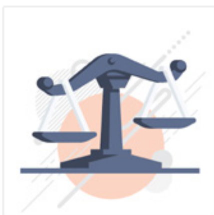
Sterling Financial Holdings Company encourages employees, contractors, vendors, customers, and the public to report any unethical or irregular activities within the organization. The Whistleblowing Policy ensures that whistleblowers are protected from retaliation, victimization, or harassment. To facilitate confidential reporting,

01
Be Passionate

02
Be Impactful

03
Be Respectful

04
Be Ethical



05
Be a listener

06
Be Responsible

07
Be Tolerant

08
Be of Service

09
Be a Leader

10
Be Agile

dedicated email addresses and hotlines are available. All reports are reviewed objectively, promptly addressed, and handled with the utmost discretion by authorized personnel responsible for investigation and resolution. No employee, regardless of position, is exempt from accountability. Confidentiality and anonymity are strictly maintained in compliance with legal and regulatory requirements.

As of 2024, over 687,000 stakeholder complaints have been received and successfully resolved through the organization's grievance redress mechanism, with the majority managed by the customer contact center. This mechanism ensures efficient handling of concerns raised by employees, customers, contractors, and third-party service providers.

Disciplinary Process: The Organization has established a disciplinary committee governed by a sanctions grid designed to protect employees from unfair treatment or victimization while ensuring adherence to organizational policies and procedures. The sanctions grid outlines the steps and protocols for managing disciplinary actions and grievances within the Bank.

The disciplinary structure comprises two distinct committees:

1. Human Capital Disciplinary Committee: Responsible for addressing non-ethical, non-fraud related, and human capital issues such as insubordination, grievances, victimization, and bullying.
2. Staff Disciplinary Committee: Focuses on ethical violations, fraud, and significant risk concerns.

Gift Policy

The Gift Policy regulates the exchange of gifts, gratuities, or rewards, ensuring compliance with the organization's ethical standards and core values. This policy promotes transparency, fairness, and professionalism in all business engagements, safeguarding against conflicts of interest while maintaining a competitive business environment. It applies to all employees, directors, contractors, consultants, advisors, and any individual or entity acting on behalf of the organization its subsidiaries or employee. Furthermore, it governs interactions with key stakeholders, including vendors, service providers, prospective employees, and government officials.

AML/CFT & KYC Policy

The Organization's AML/CFT & KYC Policy prohibits bribery, corruption, money laundering, terrorist financing, and related financial crimes, ensuring compliance with Nigerian laws, including the Economic and Financial Crimes Commission (EFCC) Act, Independent Corrupt Practices Commission (ICPC) Act, National Drug Law Enforcement Agency (NDLEA) Act 2004, Money Laundering (Prevention and Prohibition) Act 2022, and Central Bank of Nigeria (CBN) AML/CFT Guidelines. The policy mandates rigorous due diligence, particularly for high-risk sectors and Politically Exposed Persons (PEPs), requiring enhanced Know Your Customer (KYC) checks, documentation of engagements with government officials, and prompt reporting of suspicious transactions to the Nigeria Financial

Intelligence Unit (NFIU) and Special Control Unit Against Money Laundering (SCUML).

The policy applies universally to employees, contractors, consultants, and third parties acting on behalf of the organization, governing interactions with clients, vendors, government agencies, and high-risk jurisdictions.

Oversight is managed by a Compliance Committee aligned with the CBN's Risk-Based Supervision Framework, which enforces adherence through mandatory AML/CFT training, regular audits, and disciplinary action for violations, including legal prosecution, fines, or termination under the Nigerian law. Non-compliance risks reputational harm and undermines the organization's commitment to ethical conduct and regulatory alignment in all transactions.

Data Privacy and Retention Policy

The Data Privacy and Retention Policies defines systematic protocols for the lawful collection, processing, storage, and safeguarding of personal and sensitive data. The policy ensures compliance with relevant data protection regulations and underscores the organization's commitment to maintaining data security, confidentiality, and customer trust through advanced technological and organizational measures.

Conflict of Interest Policy

The Conflict of Interest Policy establishes procedures for identifying, disclosing, and managing situations where personal interests may conflict with professional obligations to the organization. It mandates timely disclosure of potential conflicts and outlines mitigation strategies to preserve objectivity, transparency, and organizational integrity.

Code of Professional Conduct and Ethics

The Code of Professional Conduct and Ethics establishes the ethical principles, policies, and standards that govern the behavior of all employees and directors. It serves as a cornerstone for decision-making and professional conduct, reinforcing our commitment to integrity, accountability, and responsible business practices. The Code ensures compliance with legal, regulatory, and Shari'ah guidelines while promoting fairness and transparency in all aspects of Sterling Bank & Alternative Bank's operations.

This Code applies to all employees and directors, setting clear expectations for ethical behavior in alignment with corporate and regulatory standards. It emphasizes integrity, honesty, fairness, transparency, and accountability as fundamental values that guide our professional interactions and business decisions. Employees are required to certify that they have read and understood the Code, ensuring their awareness and commitment to ethical compliance.

Information Security Management System (ISMS) Policy

The ISMS Policy formalizes a risk-based approach to safeguarding the confidentiality, integrity, and availability of information assets. It incorporates systematic risk assessments, threat mitigation strategies, and continuous monitoring to maintain compliance with international standards and regulatory requirements.

Business Continuity Plan

The Business Continuity Plan outlines the organization's preparedness strategy to sustain critical operations during disruptions, including natural disasters, cyberattacks, or supply chain failures. It details recovery protocols, roles, and responsibilities to minimize downtime, ensure service continuity, and uphold stakeholder confidence through proactive contingency planning.

Governance Sub-Committees

The organization, in its approach to effective governance, establishes applicable sub-committees, either on a permanent or ad hoc basis, to address emerging issues and ensure the seamless implementation of policies. These sub-committees play a crucial role in enhancing governance structures and driving sustainable operational strategies across the Bank.

Highlighted below are additional sub-committees that help to drive the implementation of sustainable governance:

Executive Management: The Executive Management defines the strategic direction for Environmental and Social Risk Management (ESRM) and approves all related policies and guidelines to ensure sustainable banking practices. The Chairperson of the Management Risk Committee (MRC) is responsible for overseeing the Organization's adherence to the Nigerian Sustainable Banking Principles (NSBPs). When Environmental and Social (E&S) issues or non-compliance related to a transaction cannot be resolved at the loan officer or relationship manager level, the Executive Committee (EXCO) determines the appropriate course of action to mitigate potential E&S risks to the Holding Company.

Enterprise Risk Management (ERM): Enterprise Risk Management (ERM) is a fundamental component of Sterling Bank and The Alternative Bank's governance framework. A well-defined ERM policy and framework, established by the Board of Directors, outlines governance structures and key risk management principles. This framework provides a consistent approach to identifying, assessing, and managing risks across all aspects of both Bank's operations.

Environmental & Social (E&S) Governance: The organization ensure transparency in governance by clearly defining roles, responsibilities, and reporting mechanisms related to Environmental and Social (E&S) performance. This includes monitoring implementation progress and evaluating the E&S governance of major clients. A dedicated sustainability and E&S risk unit is responsible for developing, updating, and managing the ESRM system. The unit also assesses environmental, social, and climate-related risks at the portfolio level, implements mitigation strategies, and supports loan officers and relationship managers in evaluating and monitoring customers' E&S compliance.

The ESRM system undergoes periodic reviews and updates, subject to approval by Senior Management and/or the Board.

Sustainability Working Group (SWG): comprises risk champions from various strategic business units, tasked with promoting sustainability initiatives and strategies while providing actionable feedback based on predefined sustainability performance indicators. Led by the Chief Risk Officer and SWG members, the group is responsible for implementing the Banks' Environmental and Social Management Systems (ESMS) and Environmental and Social Risk Management (ESRM) policy, while also engaging senior management on environmental and social recommendations. Operating under the guidance of the SWG Charter, the group ensures effective policy implementation, monitoring, and reporting. Additionally, they work to align sustainability initiatives with the Bank's broader risk management strategy, reinforcing the institution's commitment to responsible and sustainable business practices.

Other Strategic Business Units with Significant Functions, Actively Influencing the Effective Implementation of Sustainability Practices with the Organization:

Relationship Managers & Loan Officers

Relationship Managers and Loan Officers are responsible for ensuring compliance with the Environmental and Social Risk Management (ESRM) procedures and framework at the transaction level. They oversee the implementation of recommended Environmental and Social Action Plans (ESAP) by customers within agreed timelines to mitigate E&S risk impacts. Additionally, they assess whether E&S risks align with the Bank's overall risk appetite before proceeding with transactions.

Legal Department

The Legal Department ensures that environmental and social risk-related terms and conditions are integrated into legal agreements for transactions within the E&S coverage sectors. Failure to comply with these E&S clauses is considered a contract breach and may be treated as an event of default under the facility agreement terms.

Human Capital, Infrastructure & Corporate Services

The Human Capital & Internal Services Division is responsible for promoting human rights, gender empowerment, equitable and safe working conditions, and capacity building as part of the ESRM framework. This division also addresses broader social issues affecting the Bank's employees.

Brand Marketing & Communications

The Brand Marketing & Communications Department plays a key role in communicating the Bank's sustainability initiatives and achievements. Through strategic messaging, it raises awareness and encourages participation from both internal and external stakeholders.

Corporate Social Investments (CSI)

The CSI Department oversees the Bank's corporate social responsibility initiatives. Through the Sterling One Foundation, it leads the Bank's social investment efforts while fostering positive relationships with customers and the communities where the Bank operates.

Propositions & Products Department

The Propositions & Products Department is responsible for developing sustainable financial solutions, including initiatives aimed at women's economic empowerment, green banking products, and financial inclusion strategies.

Compliance & Conduct

The Compliance & Conduct function ensures the promotion of high ethical standards across all aspects of the Bank's operations. Regular circulation of the Bank's disciplinary code—extracted from the employee handbook—educates employees on acceptable workplace behaviors. Clear policies outline penalties for violations, while structured mechanisms are in place to prevent misconduct, enforce disciplinary measures, and reward compliance.

Our Approach To Operational Risk Management

The Digital and Operational Risk Management department has the responsibility of implementing the digital and operational risk management frameworks across the Bank.
Operational Risk Management plays a vital role in minimizing financial losses, ensuring compliance

with regulations, protecting the bank's reputation and strengthening customer trust.

Embedding adequate risk culture among the employees is vital in sustaining an improved outlook. The Management of the Bank provides full support in ensuring that the Bank's risk profile is minimal and within the risk appetite.

Highlighted below are some of the milestones achieved for the year 2024:

1. Enhanced Operational Risk Management Committee (ORMC)

Management approval was obtained for the establishment of the Operational Risk Management Committee to fully aid the implementation of the operational risk management framework across the Bank and ensure adequate closure of all action plans while mitigating risk in the Bank. The Committee has continuously functioned, and there has been a significant reduction in operational risk exposures of the Bank. Action items are being considered and addressed by Committee members across various business units for the mitigation of risk concerns in the Bank.

2. Revamped Risk and Control Self-Assessment Implementation

The RCSA Framework was reviewed, revamped, and approved for implementation in the year. The review incorporated the enhancement of controls, the stakeholders' engagement methodologies, monitoring and compliance, consequence management, and escalation procedures. RCSA is performed across the organization as the leadership in the various business units has been well embedded in the process.

3. Risk Register

Within the period, the consolidated/comprehensive enterprise risk register was established. This includes the identification of inherent risks and residual risks across the entire organization. Appropriate control measures were adequately embedded to mitigate risk exposures within the risk universe as contained in the risk register. This has improved the holistic approach for risk treatment across the organization.

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

The standardization of the SOP documents across the entire Bank was performed to ensure the availability of the necessary details/elements and that the inherent and residual risks are well mitigated across the organization. A repository was created for the manuals which will enable centralization and easy access to mitigate keyman risk and proper dissemination of information.

5. Products and Solutions Assessment

There is an increased involvement of Digital and Operational Risk Management as a key stakeholder in the product and solutions development life cycle to identify inherent and residual risks. This includes our involvement in user acceptance testing, demos, and the review of Business Requirement Documentation (BRD), Standard Work Request (SWR), and product papers in the organization for comprehensive risk identification, assessment, and mitigation.

6. Appointment of Risk Champions

Risk Champions were appointed across the businesses. The process is dynamic to accommodate the growing business of the organization. A risk champion is an employee within a business unit saddled with the responsibility of supporting the department or division with the identification, assessment, mitigation, and reporting of material risks. We liaise directly with the Risk Champions to facilitate enterprise risk management in many business units of the bank across various locations in Nigeria.

7. Operational Risk Awareness

Training and awareness were conducted in different capacities in the year. Awareness campaigns were created in different modes/ styles of communication including video communication, email, material creation and physical training across the organization.

Our Approach To Technology

At Sterling, we strategically leverage technology to unlock opportunities, drive innovation, and enhance sustainable practices. Our digital strategy is a core pillar of our business model, ensuring that technology remains at the forefront of our commitment to efficiency, resilience, and alignment with our sustainability goals.

Sterling's strategy is designed to align IT initiatives and operations with our corporate sustainability goals, leveraging digital transformation, data-driven decision-making, and innovative solutions to minimize environmental impact, enhance financial inclusion, and optimize operational efficiency.

The Digital Organization operates under a structured governance framework to align technology initiatives with Sterling's sustainability goals. The Technology Steering Committee (TSC), comprising executive and senior management, sets strategic direction, prioritizes initiatives, and ensures that technology investments back our objectives. It is supported by sub-committees focused on Project and Program Management, Enterprise Architecture, Innovation and Emerging Trends, and Information Security, ensuring efficient execution, resilience, and regulatory compliance.

With highly skilled professionals across software development, data, AI, automation, and operations, the Digital Organization drives sustainable IT practices, cloud optimization, and digital financial inclusion. Through agile methodologies, cross-functional collaboration, and data-driven decision-making, it ensures technology enhances efficiency, cost optimization, accountability, innovation, environmental sustainability, and customer experience.

What We Are Doing

1. Cloud Computing Optimization

- Balancing cloud and on-premises workloads to reduce costs and environmental impact.

2. Energy Efficiency in IT Operations

- Expanding renewable energy usage beyond HQ and selected branches (including ATMs).
- Implementing power-efficient servers, virtualization, and cooling innovations in our data centre.

3. Sustainable Software Development

- Optimizing code to reduce processing power requirements.
- Automating deployments to minimize computing waste and redundant resource allocation with DevOps.
- Use of modern technology stack for efficient digital solutions and reduce infrastructure strain.

4. Paperless Operations & Workflow Automation

- Expanding mobile-driven approvals, workflows, and document management.
- Eliminating paper-based approvals and contracts.
- Use of 'print as a service' initiative where paper is necessary.

5. Recycling of IT Work Tools

- Re-format and donate used work tools like computers.
- Sell to E-waste managers who reuse or dispose safely used hardware.
-

6. Data Management & Insights

- Reducing redundant storage and leveraging efficient data archiving.
- Use of our ESG monitoring and reporting portal for energy consumption data gathering, and tracking, hence helping to manage our carbon footprint
- Using data insights to monitor, and improve our fraud prevention abilities
- Data analytics to improve the proactive identification and mitigation of potential risks during our risk assessments

7. Automation for Operational Efficiency

- Providing VPN access, virtual collaboration tools, and secure work-from-anywhere policies, for remote work models.
- Reducing repetitive, and cumbersome tasks in banking operations and compliance reporting, using robotic process automation.

8. Financial Inclusion & Customer Support Initiatives

- Expanding mobile banking, USSD, and agent banking products for customers without internet access.
- AI chatbots & digital customer service – Reducing branch traffic by enhancing self-service and digital support channels.

Adherence To International & Local Standards

As a digitally driven organization, we maintain multiple certifications to ensure compliance with IT Governance, global and local standards, security and compliance frameworks.
These key certifications include:

1. ISO 20000 – IT Service Management

Ensures that our IT service management processes are aligned with industry best practices to deliver reliable, efficient, and high-quality IT services.

2. ISO 22301 & ISO 27001 – Business Continuity & Information Security

- Establishes a robust risk management strategy against cyber threats and attacks ensuring robust business continuity, information security, as well as regulatory adherence.

3. ISO 27017 – Secure Cloud Operations

- Provides cloud-specific security frameworks to safeguard cloud environments and ensure secure cloud operations.

4. ISO 27032 – Cybersecurity

- Strengthens our cybersecurity framework by protecting critical infrastructure and securing digital services against cyber threats.

5. PCI DSS – Payment Security

- Our policies also align with global payment security standards by ensuring safe handling of cardholder data in payment processing, storage, and transmission.

6. NDPR – Data Protection & Privacy

- Ensures compliance with our local data protection regulation to uphold responsible data handling and privacy rights.

By continuously innovating and embedding sustainability into every aspect of technology operations, the Digital Organization will continue to play a crucial role in Sterling's broader sustainability mission.

Corporate Integrity and Anti-Corruption Statement

Collaboration & Partnerships

Sterling Financial Holdings Company unifies the strengths of Sterling Bank, Alternative Bank,and Sterling One Foundation under a shared commitment to advancing sustainable development through systemic collaboration. As an interconnected ecosystem, our subsidiaries synergize distinct expertise—financial innovation, ethical banking, and social stewardship—to address complex global challenges.

Collaboration drives our operational DNA. By fostering partnerships with governments, civil society, and private stakeholders, we co-design solutions that amplify impact, from scaling financial inclusion to accelerating climate action. Internally, cross-functional alignment ensures resources and knowledge are leveraged to embed global sustainability frameworks into localized strategies.

Alternative Bank complements Sterling Bank's inclusive finance models with values-driven solutions, while Sterling One Foundation bridges critical gaps in community resilience. Together, we demonstrate that collective action transcends sectoral boundaries, transforming intent into equitable outcomes. Collaboration is not a tool but a philosophy—one that ensures every initiative reinforces our vision of progress where finance serves as a catalyst for enduring, inclusive transformation.

The Nigerian Sustainable Banking Principles

Nigerian Sustainable Banking Principles (NSBP)

The Nigerian Sustainable Banking Principles (NSBP), spearheaded by the Bankers' Committee on Economic Development and Sustainability in 2012, have catalyzed transformative sustainability practices across Nigeria's financial landscape. Aligned with these principles, our institution has demonstrated leadership through their steadfast integration into organizational frameworks and operational workflows. Our sustainability agenda and Environmental & Social (E&S) Risk Management systems are anchored in the NSBP's nine principles, which provide a structured roadmap for embedding sustainability into banking governance and decision-making.

These principles underpin ethical financial practices that balance sectoral growth with ecological stewardship while prioritizing robust governance and strategic risk mitigation. Through their adoption, we have elevated operational transparency, proactively addressing risks to safeguard the interests of clients, investors, communities, and ecosystems. This alignment has not only strengthened our sustainability outcomes but also positioned us as a catalyst for sector-wide accountability.

Nasrul-Lahi-L-Fatih Society (NASFAT)

Alternative Bank, a subsidiary of Sterling Financial Holdings Company, aligns with Nasrul-Lahi-L-Fatih Society (NASFAT) to promote ethical banking, financial inclusion, and sustainable economic empowerment. Built on shared values of integrity, fairness, and social responsibility, this alignment ensures that faith-based financial solutions are accessible to individuals and businesses seeking interest-free, Sharia-compliant banking.

Through this commitment, Alternative Bank supports NASFAT's initiatives by expanding access to ethical financial services, fostering entrepreneurship, and strengthening financial literacy within the Muslim community. By offering tailored banking products, facilitating capacity-building programs, and investing in social impact projects, we empower communities to achieve long-term financial stability while upholding Islamic finance principles that emphasize equity, transparency, and shared prosperity.

United Nations Global Compact (UNGC)

Sterling Financial Holdings Company reaffirms its unwavering alignment with the principles of the United Nations Global Compact (UNGC), originally adopted under, Sterling Bank, in December 2018. While formal membership remains associated with Sterling Bank, this commitment is fully upheld and advanced at the group level as part of Sterling Financial Holdings' Company broader organizational mandate.

The institution remains steadfast in operationalizing the UNGC's universal tenets—advancing human rights, fostering equitable labor practices, championing environmental sustainability, and combatting corruption—across its governance frameworks and strategic priorities.

We continue to integrate these principles into its corporate ethos, ensuring alignment with global sustainability standards while engaging stakeholders to amplify societal impact. Annual reporting obligations under the UNGC Communication on Progress (CoP) are rigorously fulfilled, reflecting transparency and accountability in our sustainability journey. As we evolve institutionally, our pledge to ethical leadership and collective progress remains immutable, driving value for stakeholders and contributing meaningfully to the United Nations Sustainable Development Goals (SDGs).

United Nations Global Compact

Sustainable Development Goals

Sterling Financial Holdings Company leverages the combined expertise of Sterling Bank, Alternative Bank, and Sterling One Foundation to drive progress toward the Sustainable Development Goals (SDGs). Through financial inclusion, ethical finance, and community empowerment, we address interconnected challenges underpinning the SDGs. Collaborative partnerships across sectors enable scalable solutions that harmonize economic growth, social equity, and environmental resilience. By embedding sustainability into governance and operations, our subsidiaries amplify collective impact—prioritizing systemic change over fragmented efforts. This unified approach ensures finance becomes a catalyst for equitable development, advancing the SDGs through innovation, accountability, and shared responsibility.

International Finance Corporation

We collaborate with the International Finance Corporation (IFC) to drive sustainable private sector development across emerging markets. In alignment with IFC's focus on climate finance, gender inclusion, and SME growth, we leverage our subsidiaries to develop innovative financial solutions that bridge capital gaps while embedding strong environmental, social, and governance (ESG) principles.

Our partnership prioritizes capacity-building, risk-sharing frameworks, and knowledge exchange to strengthen sustainable finance ecosystems. By adhering to IFC's Performance Standards, we uphold rigorous ESG benchmarks that enhance transparency, accountability, and long-term resilience of our lending portfolio. Reflecting our shared commitment to sustainability, our head office building achieved EDGE certification, a globally recognized green building standard developed by IFC, demonstrating our leadership in energy efficiency, resource conservation, and environmental responsibility. Through scalable, market-driven solutions, we integrate profitability with planetary and societal well-being, advancing IFC's mission to eradicate poverty and promote shared prosperity through transformative private sector engagement.

Wolfberg Group

Sterling Financial Holdings Company adheres to world-class governance frameworks developed by Wolfberg Group, emphasizing anti-money laundering (AML) compliance, customer due diligence (CDD), and ethical accountability across subsidiaries. These frameworks strengthen board governance, risk oversight, and compliance workflows, ensuring rigorous AML/CDD protocols, transparent credit assessments, and stakeholder engagement aligned with global standards. Sterling Bank integrates advanced due diligence tools to enhance risk management and mitigate financial crime risks while maintaining operational agility. Alternative Bank aligns its governance structures with Sharia-compliant principles, reinforcing anti-fraud and AML safeguards to uphold trust in ethical finance. Sterling One Foundation applies these governance principles to program execution, ensuring resource deployment meets anti-corruption and accountability benchmarks.

Capacity-building initiatives are central to this approach, with tailored training programs for leadership and frontline staff on AML regulations, CDD best practices, and ethical decision-making. By embedding Wolfberg Group's governance innovations, we transform compliance from a regulatory requirement into a strategic advantage—enhancing investor confidence, operational resilience, and long-term value creation.

Task Force on Climate-related Financial Disclosures

Sterling Financial Holdings Company integrates the Task Force on Climate-related Financial Disclosures (TCFD) framework to strengthen climate risk management and enhance transparency across its operations. By aligning with TCFD recommendations, we ensure that climate-related risks and opportunities are factored into governance, strategy, and financial decision-making, reinforcing resilience across our subsidiaries.

Our approach includes conducting climate risk assessments, leveraging scenario analysis, and maintaining clear, data-driven reporting to meet investor and regulatory expectations. This proactive stance not only safeguards our business against environmental risks but also positions us to capitalize on opportunities in the evolving green economy, driving sustainable growth and long-term value creation.

The International Workplace Group (IWG)

Sterling Financial Holdings Company aligns with the International Workplace Group (IWG) to enhance workplace flexibility, operational efficiency, and sustainable business practices. By leveraging IWG's global expertise in flexible office solutions, we create dynamic work environments that foster collaboration, innovation, and agility across our subsidiaries.

This alignment enables us to optimize resource utilization, reduce overhead costs, and support a hybrid work model that empowers employees while maintaining high productivity standards. By integrating IWG's scalable workspace solutions, we reinforce our commitment to sustainability, efficiency, and modern workplace dynamics, ensuring that our teams and partners operate in environments that support growth, adaptability, and long-term success.

Advisory Committee of Experts (ACE)

Alternative Bank, a subsidiary of Sterling Financial Holdings Company, benefits from the strategic guidance of its Advisory Committee of Experts (ACE), a distinguished panel of specialists in Islamic finance, risk management, ethics, and regulatory compliance. ACE ensures that Alternative Bank's operations align with global best practices, Sharia-compliant principles, and evolving market dynamics.

By providing expert oversight on governance, financial innovation, and ethical banking frameworks, ACE strengthens the bank's commitment to transparency, customer-centric solutions, and sustainable financial growth. Through this advisory structure, Alternative Bank continues to uphold its mission of delivering responsible, interest-free banking solutions that empower communities and businesses while maintaining the highest standards of integrity and compliance.

Our Approach To Stakeholder Engagement

At Sterling Financial Holdings Company, our mission is to deliver financial solutions that drive sustainable value creation for all stakeholders. We recognize that our stakeholders are integral to our success, influencing our ability to achieve strategic objectives while being directly impacted by our operations. Building trust, fostering transparency, and maintaining long-term relationships are at the core of our engagement strategy, ensuring that stakeholder expectations are actively integrated into our business decisions.

As a purpose-driven organization committed to improving lives, we continuously engage with our stakeholders through both structured and informal interactions. By soliciting feedback and fostering open communication, we refine our strategies to align with their needs and aspirations, creating meaningful and lasting impact. Our stakeholders are categorized into two key groups:

- Internal Stakeholders – Employees, Shareholders, and Investors.
- External Stakeholders – Customers, Suppliers/Third-Party Service Providers, Communities, Regulators, Media Organizations, Government, and Non-Governmental Organizations (NGOs).

The following table outlines our engagement approach with each stakeholder group, highlighting our commitment to collaboration, responsiveness, and shared prosperity.

Stakeholders	Reasons for Engagement	Channels of Engagement	Bank-Specific Considerations
Customers	Understand financial needs, offer innovative solutions, and gauge satisfaction.	Branches, Contact Centre, Mobile/Online Banking Website, Social Media Customer Research, Surveys Complaints	Digital-first solutions, SME support. Ethical/Sharia-compliant product feedback.
Employees	Ensure a safe, conducive work environment; align staff with vision/goals.	Engagement Surveys Recognition Programs Meetings Microsoft Viva Engage (internal social platforms) HR Helpdesk Whistleblowing Channels	Training on ethical/ Sharia banking principles. Leadership development programs.
Shareholders	Provide updates on performance and strategic direction.	Annual General Assembly Board Meetings Quarterly/ Annual Reports	Highlight ethical finance ROI. Transparent ESG performance reporting.
Regulators	Ensure compliance with laws, mitigate penalties.	Letters/Emails Meetings, Onsite Visits Regulatory Reporting	Engagement with Islamic Financial Regulatory Bodies Local and global regulatory alignment.
Suppliers	Ensure ethical sourcing and quality of goods/ services.	Vendor Management Portal Bids/Tenders	Local supplier partnerships. Halal/ethical certifications.
Communities	Invest in community development and manage operational impacts.	CSR Projects Contact Centre Whistleblowing Channels	Faith-aligned CSR (e.g., Zakat distribution). Financial literacy & Inclusion programs.

Corporate Governance Report

Corporate Governance Report
For The Year Ended 31 December 2024

The Board of Sterling Financial Holdings Company Plc. ("the Company") is pleased to present its Corporate Governance Report for the Financial Year 2024. The Company was incorporated on 13th October 2021 and commenced operations in July 2023 following the approval of the Central Bank of Nigeria (the CBN) to operate as a non-operating financial holding company on 27th June 2023. The Company ensures compliance with the relevant provisions of the Nigerian Code of Corporate Governance, the Corporate Governance Guidelines issued by the Nigerian Securities & Exchange Commission (SEC) and the Central Bank of Nigeria (CBN).

The Board

The Board of Directors is responsible for determining the overall strategy for the Holdco and its subsidiaries (the "Group"), assessing the Group's risk appetite, and establishing rules for decision-making, financial reporting, financing, and operations.

During the financial year, Mr. Ashutosh Kumar was appointed as a Non-Executive Director of the Company with effect from 29th July, 2024. The Directors who served on the Board in the financial year under review are-

1. Mr. Yemi Adeola - Group Chairman
2. Mr. Adeshola Adekoya - Non-Executive Director
3. Mr. Abubakar Suleiman - Non-Executive Director
4. Ms. Eniye Ambakederemo - Independent Director
5. Ms. Aisha Bashir - Independent Director
6. Mr. Ashutosh Kumar - Non-Executive Director
7. Mr. Yemi Odubiyi - Group Chief Executive Officer
8. Mr. Olayinka Oni - Executive Director

Directors' Appointments, Retirements and Re-Elections

Director appointments, retirements, and re-elections are carried out in accordance with the provisions set out in the Company's Memorandum and Articles of Association, the Board Charter, the Companies and Allied Matters Act, the CBN Corporate Governance Guidelines for Financial Holding Companies, the SEC Corporate Governance Guidelines 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 Company's governance framework.

Board Composition

The Board comprises the Chairman, Non-Executive Directors, Executive Directors, and Independent Directors who ensure corporate governance practices and standards are maintained in the Holdco. The Board members and details of their respective attendance at meetings are as follows:

S/N	Name	Designation	Attendance	No. of Meetings
1.	Mr. Yemi Adeola	Chairman	6	6
2.	Mr. Adeshola Adekoya	Non-Executive Director	6	6
3.	Ms. Eniye Ambakederemo	Independent Director	6	6
4.	Mr. Abubakar Suleiman	Non-Executive Director	6	6
5.	Ms. Aisha Bashir	Independent Director	6	6
6.	Mr. Ashutosh Kumar*	Non-Executive Director	1	2
7.	Mr. Yemi Odubiyi	Group Managing Director/Chief Executive Officer	6	6
8.	Mr. Olayinka Oni	Executive Director	6	6

**Mr. Ashutosh Kumar was appointed to the Board effective 29th July 2024.*

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 three (3) standing committees: Board Governance, Nomination and Remuneration Committee, Board Finance and Investment Committee, and Board Audit and Risk Management 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 Governance, Nomination & Remuneration Committee

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

Terms of reference

- Review the size and composition of the Board taking into consideration the appropriate skill mix, personal qualities, expertise, ability to exercise independent judgment, and diversity required to discharge the Board's duties;

- Make recommendations on the experience and training required for Board Committee membership, operating structure, and other operational matters;

- Establish the criteria and execute the process, upon Board approval, for appointing and re-appointing new and existing Directors respectively, and the removal of non-performing Directors;

- Ensure that every member of the Board receives a formal letter of appointment, setting out their roles, responsibilities, and time commitments for Board and Board Committees' meetings;

- Develop and maintain an appropriate corporate governance framework for the Company, and make recommendations to the Board on transparent and sound corporate governance principles;

- Ensure the Board carries out an annual performance review of itself and of its Committees following applicable laws, regulations, policies, and codes;
- Ensure that there is a proper induction program and ongoing learning for the Board and Board committee members;

- Provide adequate oversight in reviewing and updating the Board learning programs to ensure continuous improvement of the Board members' performance;

- Ensure that a proper succession policy and plan exists for Board members and members of its subsidiaries;

- Develop, review, and recommend the remuneration policy to the Board for approval;

- Review and recommend to the full Board, compensation for the Chief Executive officer and senior management staff. The committee shall ensure its recommendations are in line with the Company's remuneration policy, the provisions of the CBN and SEC Codes of corporate governance, and all applicable laws;

- Make recommendations to the Board, reinforcing sound corporate governance principles, on the incentive structure of the Company including executive compensation and bonuses;

- Provide input to the annual report of the Company on Directors' compensation, aligning with the provisions of the CBN and SEC Codes;

- Conduct periodic peer reviews of compensation and remuneration levels to ensure the Company remains competitive; and

- Undertake other reviews as the Committee deems necessary to fulfill its responsibilities as may be requested by the Board.

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.	Ms. Eniye Ambakederemo	Chairperson	4	4
2.	Mr. Abubakar Suleiman	Member	4	4
3.	Ms. Aisha Bashir	Member	4	4

Board Finance and Investment Committee

The Committee advises the Board on its oversight responsibilities concerning strategic planning, and monitoring of finance and investment decisions.

Terms of reference

- Determine the policies and strategies relating to capital management of the Company, and oversee and monitor the implementation of these policies, strategies, and financial objectives to maximize overall shareholder value;
- Ensure finance and investment decisions are in alignment with corporate objectives and strategy;
- Ensure adequate budget and planning processes exist, and performance is measured against the annual budget;
- Recommend dividend and tax policies to the Board for approval;
- Conduct quarterly business reviews with management to assess financial and investment performance;
- Review the adequacy of financial systems, operations, and internal controls;
- Approve capital and major operating expenditure and investment limits recommended by management;
- Ensure that reporting on issues related to investment and finance is comprehensive for proper deliberation and decision-making;
- Ensure investment strategies, policies and guidelines comply with all applicable regulations;
- Consider and approve proposals for significant acquisitions, mergers, takeovers, divestments of operating companies, equity investment, and new strategic alliances by the Company or its subsidiaries subject to the final approval of the Board;
- Formulate guidelines from time to time on cost control and reduction, consistent with maximum efficiency, and make appropriate recommendations to the Board;
- Review and report to the Board on the Company's financial projections, capital and operating budgets, and actual financial results against targets and projections;
- Review and recommend to the Board all new business initiatives, especially those requiring a significant capital outlay above management limit;
- Determine an optimal investment mix consistent with the risk profile agreed upon by the Board; and
- Carry out such other functions relating to finance and investment strategy as the Board may from time to time determine.

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

S/N	Name	Designation	Attendance	No. of Meetings
1.	Mr. Shola Adekoya	Chairman	4	4
2.	Mr. Abubakar Suleiman	Member	4	4
3.	Ms. Aisha Bashir	Member	4	4
4.	Mr. Yemi Odubiyi	Member	4	4
5.	Mr. Olayinka Oni	Member	4	4

Board Audit and Risk Management Committee

The Committee assists the Board in the effective discharge of its responsibilities in the areas of statutory reporting, internal control systems, banking and legal proceedings, and internal and external audit functions.

Terms of reference

- Oversee the assessment of the qualification, independence, and performance of the Internal Audit function;
- Review significant findings and recommendations by Internal Audit and Management responses thereof;
- Review the implementation of Internal Audit recommendations by Management;
- Ensure that the operations of the Internal Audit function comply with acceptable International Standards for the Professional Practice of Internal Auditing;
- Ensure management develops a comprehensive internal control framework and oversees its effectiveness;
- Ensure there are effective controls in place to minimize operational risks and optimize value;
- Oversee the process for identifying risks across the Company and ensure that Management puts in place adequate mechanisms to prevent, detect, and report risks;
- Ensure that adequate whistle-blowing procedures are in place; and
- Review the proposed audit plan(s) and the results of internal audits completed since the previous Committee meeting as well as the focus of upcoming internal audit projects.
- Review the results of the annual audit report and discuss the annual financial statements with external auditors and Management;
- Review the auditors' management letter presented by the external auditors and ensure the adequacy of Management's response;
- Review with the Chief Financial Officer annually the significant financial reporting issues and practices of the Company, and ensure that appropriate accounting principles are applied including financial controls relating to the "closing of the books" process;
- Meet separately, and at least quarterly, with the Chief Financial Officer, the Chief Internal Auditor, and relevant Senior Management staff to discuss the adequacy and effectiveness of accounting and financial controls of the Company;
- Discuss the Company's policy regarding press releases as well as financial information provided to analysts and rating agencies;
- Require Management to present and discuss, as soon as practicable, all reports received from regulators (e.g. CBN, SEC, NSE, NDIC, Rating Agencies, etc.) which may have a material effect on the financial statements or related Company compliance policies;
- Annually assess and confirm the independence and competence of the external auditors;
- Ensure that the tenure of an appointed External Auditors shall be for the maximum period of ten (10) years as mandated by the CBN and SEC code of corporate governance;
- Review legal and regulatory matters, contingent liabilities, or other sensitive information that may have a material effect on the Company's financial statements,

systems of internal control or regulatory compliance; and

- Maintain a mechanism for receiving complaints regarding the Company's accounting and operating procedures.

- Ensure that there are standards, policies, and processes in place to identify and measure all material risks and respond appropriately;

- Re-evaluate all risk management policies periodically to accommodate major changes in internal or external factors, and ensure that changes are in line with the Company's risk profile and appetite;

- Review executive management reports, detailing the adequacy and overall effectiveness of the Company's risk and capital management documents policies, procedures, and processes for the identification, measurement, monitoring, and control of risk management;

- Ensure that Management implements specific limits or tolerance levels that are aligned with overall risk appetite levels as set by the Board;

- Make recommendations to the Board concerning the levels of risk capacity and tolerance, and ensure that they are managed within these parameters; and
- Ensure that the Company's risk management policies and practices are disclosed in the annual report.

- Review the adequacy and effectiveness of compliance programs;

- Review the compliance processes in place and ensure that any changes to legal and regulatory requirements are identified and reflected in the Company's processes;

- Evaluate the nature and effectiveness of action plans implemented to address identified compliance weaknesses; and

- Provide the Board with such assurances as it may reasonably require regarding compliance by the Company.

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

S/N	Name	Designation	Attendance	No. of Meetings
1.	Ms. Aisha Bashir	Chairman	5	5
2.	Mr. Adeshola Adekoya	Member	5	5
3.	Mrs. Eniye Ambakederemo	Member	5	5
4.	Mr. Ashutosh Kumar*	Member	2	2

**Mr. Ashutosh Kumar was appointed to the Committee effective on 19th October 2024*

Statutory Audit Committee

The Committee is established in accordance with Section 404(2) of the Companies and Allied Matters Act 2020. The Committee's membership consists of 3 (three) representatives of the shareholders elected at the Annual General Meeting (AGM) and 2 (two) Non-Executive Directors. The Committee meets every quarter, but could also meet at any other time, as the need arises.

All members of the Committee are financially literate.

Terms of reference

- To make recommendations to the Board for presentation to the Shareholders for approval at the AGM regarding the appointment, removal, and remuneration of the External Auditors of the Company.
- To authorize the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.
- To review and approve the annual audit plan and ensure that it is consistent with the scope of audit engagement, having regard to the seniority, expertise, and experience of the audit team.
- To review representation letter(s) requested by the External Auditors before they are signed by Management.
- To review the Management Letter and Management's Response to the Auditors' findings and recommendations.
- To oversee the integrity of the Company's financial statements, compliance with legal and other regulatory requirements, assessment of qualifications and independence of External Auditors, and performance of the Company's internal audit function as well as that of External Auditors.
- To establish an internal audit function and ensure there are other means of obtaining sufficient assurance of regular review or appraisal of the system of internal controls in the Company.
- To ensure the development of a comprehensive internal control framework for the Company, obtain assurance and report annually in the financial report, on the operating effectiveness of the Company's internal control framework.
- To review such other matters in connection with overseeing the financial reporting process and the maintenance of internal controls as the Committee shall deem appropriate.
- To oversee management's process for the identification of significant fraud risks across the Bank and ensure that adequate prevention, detection, and reporting mechanisms are in place.
- At least on an annual basis, obtain and review a report by the Internal Auditor describing the strength and quality of internal controls including any issues or recommendations for improvement, raised by the most recent internal control review of the Company.
- Discuss the annual audited financial statements and half-yearly unaudited statements with Management and External Auditors.
- Meet separately and periodically with Management, Internal Auditors, and External Auditors.
- To review and ensure that adequate whistle-blowing procedures are in place.

- To review with the External Auditors, any audit scope limitations or problems encountered and Management's responses to same.
- To review the independence of the External Auditors and ensure that where non-audit services are provided by the External Auditors, there is no conflict of interest.
- To consider any related party transactions that may arise within the Company or Group.
- Invoke its authority to investigate any matter within its terms of reference for which purpose the Company must make available the resources to the Internal Auditors with which to carry out this function, including access to external advice where necessary.
- Prepare the Committee's report for inclusion in the Company's Annual Report.
- Report to the Board regularly at such times as the Committee shall determine necessary.

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

S/N	Name		Designation	Attendance	No. of Meetings
1.	Alhaji Mustapha Jinadu, FIoD	Shareholders' Representative	Chairman	5	5
2.	Ms. Eniye Ambakederemo	Independent Director	Member	5	5
3.	Mr. Idongesit Udoh	Shareholders' Representative	Member	5	5
4.	Ms. Christie Vincent	Shareholders' Representative	Member	5	5
5.	Mr. Adeshola Adekoya	Non-Executive Director	Member	5	5

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

The dates for the Board and Board Committee meetings held in the year ended 31st December 2024 are shown below:

S/N	Meetings	Dates					
1.	Board Meetings	28 Feb	22 Mar	29 Apr	23 May	15 Aug	29 Dec
2.	Board Audit and Risk Management Committee	21 Feb	24 Apr	24 Jul	23 Oct	12 Dec	-
3.	Board Finance and Investment Committee	13 Feb	29 Apr	30 Jul	30 Oct	-	-
4.	Board Governance, Nomination and Remuneration Committee	12 Feb	30 Apr	29 Jul	29 Oct	-	-
5.	Statutory Audit Committee	22 Feb	20 Mar	25 Apr	25 Jul	24 Oct	-

Directors Induction and Training

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

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

During the year under review, an induction programme was conducted for Mr Ashutosh Kumar on 10th October 2024.

Board Evaluation Process

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

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

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

The Board is responsible for overseeing the overall direction and governance of the Company. To ensure effective decision-making, certain key matters are reserved exclusively for Board consideration and approval. These matters include, but are not limited to:

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

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

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

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

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

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

The Company Secretary

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

The Acting Company Secretary assists the Chairman in ensuring good information flow by 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 Company's compliance with the listing rules of Nigerian Exchange Limited, 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, she assists in ensuring coordination and liaison between the Board, the Board Committees, and Management. The Company Secretary assists in the development of the agendas for the various Board and Board Committee meetings.

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

Management Committee

Executive Committee (EXCO)

The Committee provides leadership to the Company and ensures the implementation of strategies approved by the Board.

Policies and Frameworks

Succession Planning

In line with best practice, the Board of Directors of the Company approved a Board Succession Policy ("The Policy") and Succession Plan. The Policy serves as a guide in ensuring Board continuity by ensuring that the Board maintains the requisite mix of knowledge, skills and experience to effectively govern the Company as it fills planned and unplanned vacancies from time to time. This policy is implemented by the Board through the Board Governance, Nomination & Remuneration Committee.

Code of Professional Conduct and Ethics

The Company has a Code of Professional Conduct and Ethics that specifies the minimum acceptable behaviour of its staff. It is a requirement that all staff within the Company 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 Company 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.

Compensation Policy

The Company is committed to fair and equitable pay practices in addition to complying with all applicable laws and regulations. The Company's Compensation policy provides guidelines for the implementation of the compensation philosophy. The Company pays as competitively as possible within the industry. The policy aims to motivate the workforce and enable the Company to attract and retain employees with integrity, ability, experience, and skills to deliver its strategy and promote compliance with global regulatory trends and governance requirements, with an emphasis on long-term sustainability.

Whistle Blowing Process

The Company is committed to the highest standards of openness, probity, and accountability; hence the need for an effective and efficient whistle-blowing process.

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

The reputation of the Company and its subsidiaries is of utmost importance and every staff of the Company has a responsibility to protect the Company from any persons or acts that might jeopardize its reputation. Staff are encouraged to speak up when faced with information that would help protect the Company'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 Whistleblowing process aims to ensure efficient service to the customer, good corporate image, and business continuity in an atmosphere compliant with best industry practices.

The Company has a dedicated whistle-blowing channel which is accessible via the Company's website, telephone hotlines, and e-mail addresses in compliance with Section 17 of the Central Bank of Nigeria Corporate Governance Guidelines for Financial Holding Companies Whistleblowing for Banks and Other Financial Institutions in Nigeria and Principle 19 of the Nigerian Code of Corporate Governance (NCCG).

The Company's Group Head, Governance and Compliance Risk Management is responsible for monitoring and reporting on whistle-blowing. Further disclosures are stated in Note 45 to the consolidated and separate financial statements.

Compliance Statement on Securities Trading by Interested Parties

Securities Trading Policy

The Company has a Securities Trading Policy which guides trading in its Securities by Directors and other key personnel of the Group. During the 2024 Financial Year, the Directors and other Key personnel of the Group complied with the requirements of the policy.

Complaints Management Policy

The Company has put in place a Complaint Management Policy guiding the resolution of disputes with stakeholders on issues relating to the Investment and Securities Act.

Subsidiary Corporate Governance Report

Sterling Bank Ltd and Alternative Bank Limited

To ensure value creation for shareholders, sustainability, and consistency across the Company and its subsidiaries (the Group), the Company has established and embedded subsidiary governance as an integral part of the Group's risk management framework.

The Company's governance structure is designed to ensure compliance with best corporate governance practices as well as the Nigerian Code of Corporate Governance 2018, issued by the Financial Reporting Council, Central Bank of Nigeria, Corporate Governance Guidelines for Financial Holding Companies 2023, and Securities and Exchange Commission's Guidelines 2021. The governance structure is implemented through the Boards of the subsidiaries.

The Company has two banking subsidiaries – Sterling Bank Ltd and Alternative Bank Limited; it ensures that the same values, ethics, processes, and controls are reflected throughout the Group while remaining independent in the conduct of their business.

The Board of each of the subsidiaries within the Group carries out its oversight functions through its Board Committees which have clearly defined charters and terms of reference approved by the Central Bank of Nigeria. Following industry and global best practices, the Chairmen of the Subsidiary Boards are not members of any of the Committees.

Subsidiary Board Committees

The committees of the subsidiaries are set out below:

1. 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. The Committee provides constructive reports on its findings, especially when issues are identified that could present a material risk to the subsidiary. It provides independent assurance and assistance to the Board of Directors on control and audit matters.

2. Board Governance, Nomination, and Remuneration Committee

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

3. Board Credit Committee/ Board Finance and Investment Committee

The Board Credit Committee acts on behalf of the Board on credit matters and reports at Sterling Bank while, the Board Finance and Investment Committee acts on behalf of the Board on finance and investment matters at Alternative Bank Limited.

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 at Sterling Bank.

5. Board Risk Management Committee

The Committee acts on behalf of the Board to evaluate and handle issues relating to the risk management of the subsidiaries.

Subsidiary Management Responsibilities

The Group runs a shared services framework which allows for better operational efficiency and standardization. Management of the subsidiary companies operates with the shared services framework in identifying, measuring, monitoring, and controlling risks within the areas of their expertise.

The following services are shared within the Group:

- Human Capital Management
- Risk Management
- Technology
- Brand, Marketing & Communications
- Legal Services and Company Secretariat
- Compliance
- Facility Management

To aid them in fulfilling their risk management responsibilities, Management has established a network of oversight committees. Each subsidiary has the following key Management committees.

Management Committees

1. Executive Committee (EXCO)/ Management Committee (MANCO)

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

2. 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 subsidiaries' strategies.

3. Management Credit Committee (MCC)/ Management Investment Committee (MIC)

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

The Management Investment Committee (MIC) of Alternative Bank Limited approves new investment products and initiatives. The Committee reviews the Investment Policy Guide and approves facilities and investments up to a maximum limit approved by the Board.

4. Criticized Assets Committee (CAC)

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

5. Management Risk Committee (MRC)
The Committee is responsible for planning, management, and control of the subsidiaries' overall risks. Its functions include setting the banking subsidiaries' risk philosophy, risk appetite, risk limits, and risk policies.

Shariah Governance Mechanism

The Shariah Governance Framework at Alternative Bank is overseen from a Shariah perspective by the Advisory Committee of Experts (ACE). The appointment of ACE members is endorsed by the Board of Directors and approved by the Central Bank of Nigeria (CBN). Comprising esteemed and qualified Shariah scholars, the ACE is tasked with reviewing and ensuring that all Islamic banking products, services, and operations at Alternative Bank adhere to Shariah principles.

Statement on Compliance with Internal Shariah Review Mechanism:

At Alternative Bank Limited, ensuring Shariah compliance across all our products and services is paramount. The Internal Shariah Review Mechanism fulfills key functions, including the Shariah Review/Compliance (SRC) examining product documentation and financing requests to mitigate SNCR. Furthermore, the internal Shariah audit function conducts independent assessments of internal Shariah controls and risk management systems, reporting findings to the ACE and management for continuous improvement. This process integrates with the ERM framework by providing a robust second and third line of defense to manage risks specific to non-interest banking operations.

Directors, Officers And Professional Advisers

Directors

Mr. Yemi Adeola	Group Chairman
Mr. Adeshola Adekoya	Non-Executive Director
Ms. Eniye Ambakederemo	Independent Director
Mr. Abubakar Suleiman	Non-Executive Director
Ms. Aisha Bashir	Independent Director
Mr. Ashutosh Kumar	Non-Executive Director
Mr. Yemi Odubiyi	Group Chief Executive
Mr. Olayinka Oni	Executive Director

Registration Number

1851010

Registered Office

Sterling Towers
20, Marina, Lagos
Tel: 2702300-8

Auditors

Deloitte & Touche, Nigeria
Civic Towers
Ozumba Mbadiwe, Road
Victoria Island
Lagos

Registrars

Pace Registrars Limited
Akuro House (8th floor)
24, Campbell Street
Lagos

Consultants

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

Directors' Profile

Yemi Adeola
Group Chairman

Mr. Adeola is a seasoned professional with over 40 years of experience in banking, finance, law, arbitration, and corporate consultancy. He holds a Master of Law (LLM) degree, and the Oxford University/CIArb UK Diploma in International Commercial Arbitration. His banking career started at Citibank Nigeria, where he rose to become an Executive Director, and culminated as the MD of Sterling Bank Plc. Before his foray into Banking and Finance, he had a stint as a Consultant at Price Waterhouse Coopers. He also taught law at the University of Benin and Lagos State University.
He is presently the Chairman of the following organizations: Sterling Financial Holdings Company, Nigeria Mortgage Refinance Company (NMRC), Lenox and Blair Group, and the Board of Trustees, Association of Banks' Legal Advisers and Company Secretaries (ABLACS). He is the Founder and Managing Partner of Adeyemi Adeola & Co., a law Firm with a special focus on International Commercial Arbitration, Banking, and Finance.

Yemi is a JFK scholar and a Fellow of The Chartered Institute of Arbitrators (UK), the Chartered Institute of Bankers of Nigeria, and the Institute of Credit Administration of Nigeria. He is also a Member of the Disciplinary Tribunal, Chartered Institute of Bankers.

Shola Adekoya
Non-Executive Director

Mr. Adekoya is the Managing Director of STBFMC Limited and founder of Utterfresh Processing Limited, a thriving business in the Agricultural sector. He was the Chief Executive Officer of Konga Online Shopping, where he delivered the mandate to develop and execute the growth plan of three different entities. He also worked at Etisalat as the Head of the Planning & Budget Team. Mr. Shola Adekoya has over 24 years of experience in the Technology, Retail, Transport, Fintech, Telecoms, and Agricultural industries.

Mr. Shola Adekoya holds an MBA from Cranfield University. He is a fellow of the Association of Certified Chartered Accountants (FCCA) and holds a bachelor's degree in business studies from London South Bank University.

Eniye Ambakederemo
Independent Director

Ms. Eniye Ambakederemo has over 29 years of experience in the public and private sectors, banking, and asset management, with practical executive management experience in various sectors including agriculture, production and manufacturing, finance and administration, policy development, and execution. She rose to the rank of Director General of the Bayelsa State Partnership Initiation Agency and the State Investment Promotion Office. She was also a pioneer Board member of Asset Management Company of Nigeria (AMCON).

Prior to her service in the public sector, she was a Branch Manager (Strategic Business Unit) at United Bank for Africa (UBA) Plc. She was also the Head of Corporate Banking (South) United Bank for Africa. She is a Fellow of the Nigerian Institute of Management (Chartered), the Institute of Chartered Economists of Nigeria, and the Institute of Fraud Examiners. She is also a member of the International Business Innovation Association (INBIA).

Ms. Eniye Ambakederemo holds a B.sc and an MBA in Accounting from the University of Port-Harcourt. She also holds a Diploma in Social Innovation from the United Nations for Peace Centre for Executive Education and an M.Sc in Entrepreneurship Management and Innovation from the University of Bath, United Kingdom.

Abubakar Suleiman
Non-Executive Director

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

Mr. Abubakar Suleiman holds a degree in Economics from the University of Abuja and a Master's degree in Major Programme Management from the University of Oxford. He has attended various executive education programmes at INSEAD, Harvard, Wharton, and Said Business Schools.

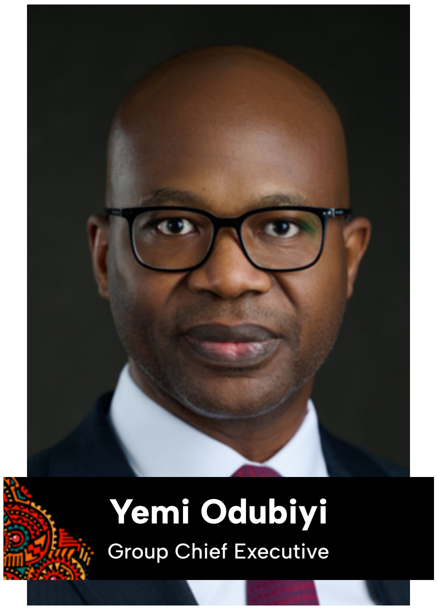
Ms. Aisha Bashir is the Founder and Chief Executive Officer, Cam Dairy Foods Limited. Before her role in Cam Dairy Foods, she was a consultant with Mountain Hazelnuts, a hazelnut company in Bhutan, where she developed guidelines for deploying mobile payments solutions to farmers for payment for hazelnuts. She was also a Special Assistant to the President/ Chief Executive of Dangote Group where she worked on business strategy and supported the Chief Operating Officer in corporate finance activities and led financial, operational, and strategic due diligence on subsidiaries. She was a co-founder, Head, Product Development and Operations of PAGA, a pioneer Nigerian mobile payments company. She also worked as a business analyst at Accenture.

Ms. Aisha Bashir holds a Master of Business Administration from Stanford University, Graduate School of Business, Master of Science in Environment and Resources – Land Use and Agriculture from Stanford University, School of Earth, Energy and Environmental Sciences, and Bachelor of Arts (Honours) in International Relations also from Stanford University.

Appointed effective 29th July 2024

Mr. Ashutosh Kumar is a seasoned banker with over twenty-three (23) years of experience. He joined the State Bank of India (SBI) in 2001 and has served in different capacities and areas, including international banking, forex and derivatives, risk management, credit, trade finance, retail banking, performance planning, and operations among others.
Mr. Kumar is versed in regulatory compliance and reporting. He is currently the Country Head and Chief Executive Officer of SBI, South Africa.

Before his current role at SBI, South Africa, Mr. Ashutosh Kumar was the Deputy General Manager (Business Operations) of Jodhpur Zone and the Chairman, the Zonal Credit Committee, where he was responsible for managing the operations of 222 (two hundred and twenty-two) branches spread across 5 (five) districts in the state of Rajasthan, India, amongst other things.



Mr. Odubiyi started his banking career with the Nigeria unit of Citibank as an Operations & Technology Generalist serving across all its Operations and Technology functions and was thereafter enrolled in its Management Associate program undertaking stints across all key units of the Bank. He left Citibank to join the turnaround team of the then Trust Bank of Africa as Head of Operations & Technology. Upon the consolidation of Trust Bank into Sterling Bank Plc, Yemi served as pioneer Group Head, Trade Services. He was mandated to build the Structured Finance Group and also assumed oversight for corporate strategy serving as Chief Strategy Officer. Mr. Yemi Odubiyi served as the Executive Director, Corporate and Investment Banking at Sterling Bank Limited.

Mr. Yemi Odubiyi holds a Bachelor's degree in Estate Management and a Master's in International Law from the University of Lagos. He has undertaken senior management/ executive education programs in Risk Management, Finance, and General Management at leading international educational institutions including the London and Harvard Business Schools.

Mr. Yinka Oni is a graduate of Agric Economics from the University of Ilorin. He is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (HCIB). His domain expertise includes solutions engineering, Program Management, Enterprise Architecture, and IT Governance. Over the course of his career, Mr. Oni has undertaken senior management/ executive education programs in Business Strategy, Financial Acumen, Digital Transformation, and General Management at leading international educational institutions including Harvard, Said Business School (Oxford University), INSEAD, MIT, and a Cycle 24 participant of the globally acclaimed International Master's Program for Managers.

Before joining Sterling Bank, he was the Chief Technology Officer for Microsoft Nigeria where he was responsible for ensuring that the subsidiary had the right relevance in society and with the Federal Government. He also helped to generate policies and programs that created a more sustainable ICT environment for the organization. Mr. Oni served as the CIO/GM IT & Operations at Wema Bank Plc. He was also an Experienced Manager with the Nigerian practice at Accenture- a global management consulting firm. He was a co-convener of the CIO Nexus, a forum of all CIOs in Nigeria, and the current chairman of the CIO Forum of Banks in Nigeria.

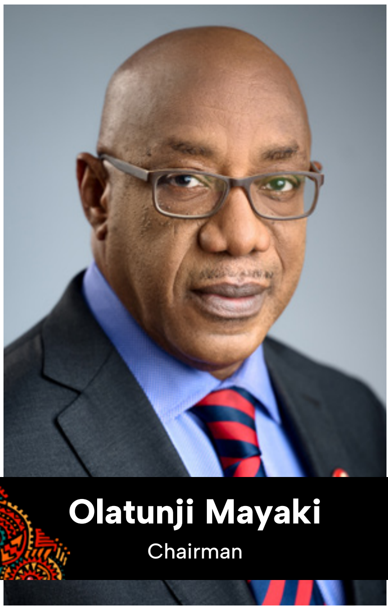
Prior to his appointment, he was the Chief Digital Officer at Sterling Bank Ltd where he led the execution of the Bank's digital strategy.

The Board Of The Subsidiaries

Sterling Bank Ltd

The Directors of Sterling Bank Ltd are as follows:

1.	**Mr. Olatunji Mayaki**	–	Chairman
2.	**Mr. Michael Ajukwu**	–	Independent Director
3.	**Mrs. Olusola Oworu**	–	Independent Director
4.	**Mr. Olaitan Kajero**	–	Non- Executive Director
5.	**Mrs. Tairat Tijani**	–	Non- Executive Director
6.	**Mr. Michael Jituboh**	–	Non-Executive Director
7.	**Mrs. Folashade Kilaso**	–	Non-Executive Director
8.	**Prof. Olayinka David-West**	–	Independent Director
9.	**Mr. Abubakar Suleiman**	–	Managing Director/Chief Executive Officer.
10.	**Mr. Tunde Adeola**	–	Executive Director
11.	**Mr. Raheem Owodeyi**	–	Executive Director



Olatunji Mayaki
Chairman

Mr. Olatunji Mayaki 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.

Mr. Mayaki worked with Shell Petroleum's Nigerian operations as Legal Adviser, Contracting & Projects, and was pioneer Legal Adviser & Company Secretary of Shell Exploration & Production Africa Limited. He was the Deputy Managing Director Addax Petroleum Nigeria, overseeing its External, Government & Regulatory Affairs, Human Resources & Admin, Legal, Community Relations, Security & Supply Chain Management Business Groups. Tunji sits on the Governing Council of a Nigerian private university, Davidson, and a UK-based NGO & Charitable Organisation, Chestrad.

Olaitan Kajero
Non-Executive Director

Mr. Olaitan Kajero holds a Bachelor of Science Degree in Chemistry from the University of Lagos and an MBA in Finance from Olabisi Onabanjo University, Ago Iwoye in Ogun State.

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

Mr. Kajero is a Fellow of the Chartered Institute of Bankers of Nigeria (CIBN).

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

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

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

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

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

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

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 leading international law firm Clifford Chance in the United Kingdom and is a solicitor of the Supreme Court of England and Wales. She is presently the Managing Partner at Berkeley Legal where she specializes in Banking & Corporate Finance, Asset Management, Energy, Real Estate, Insurance, Immigration and Risk Management.

Prior to setting up Berkeley Legal in 2015, she was Executive Director at Standard Chartered Bank, Nigeria. She had a multifunctional career at Standard Chartered during her 11 years with the Bank. Mrs. Kilaso has served on the Board of the Financial Institutions Training Centre (FITC), and on the committees of various institutions such as the Nigeria Inter Bank Settlement Systems (NIBSS), Chartered Institute of Bankers Nigeria (CIBN) and Central Bank of Nigeria (CBN) – Sub Committee for Women Economic Empowerment.

Mrs. Kilaso currently sits on the Board of other Companies such as Milford Consultancy Limited, Newhall Training & Recruitment Services Limited, Eistree Farms Limited, Berkeley Technology Services Management Limited, Enza Nigeria Payment Services Limited and Berkeley Digital Services Limited.

Prior to setting up Berkeley Legal in 2015, she was Executive Director at Standard Chartered Bank, Nigeria. She had a multifunctional career at Standard Chartered during her 11 years with the Bank.

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

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

Appointed effective 8th August 2024

Prof. Olayinka David-West was appointed an Independent Director on the Board of Sterling Bank Ltd in August 2024. She is a professor of Information Systems with almost three decades' experience in the IT and financial services industry.
Professor David-West is a Dean at the Lagos Business School (LBS), the premier business school in Nigeria and sits on the school's Management Board. She leads the Sustainable and Inclusive Digital Financial Services (SIDFS) initiative, a research and advocacy initiative dedicated to enhancing financial inclusion in Nigeria.

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

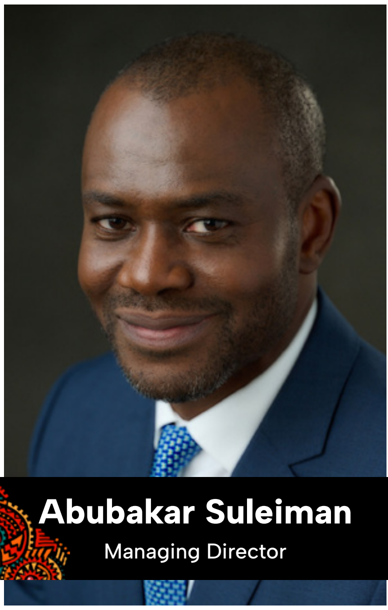
Professor David-West is a member of the Association of Information Systems (AIS), Information Systems Audit and Control Association (ISACA), African Academy of Management (AFAM), Chartered Risk Management Institute (CRMI) and Fintech Association of Nigeria (FTAN).

Prof. David-West currently sits on the Board of several organizations such as Stanbic IBTC Asset Management Limited, Business Day Media Limited, Omar Gardens Floral Company, Accion Microfinance Bank and CC Hub Syndicate.

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

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

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

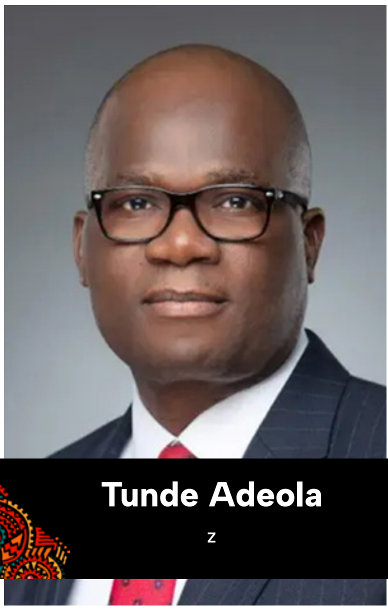


Abubakar Suleiman
Managing Director

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

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

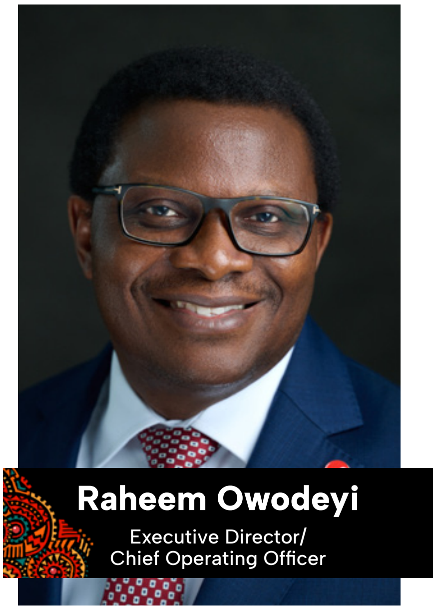
Mr. Abubakar Suleiman holds a degree in Economics from the University of Abuja and a Master's degree in Major Programme Management from the University of Oxford. He has attended various executive education programmes at INSEAD, Harvard, Wharton, and Said Business Schools. He currently serves on the Advisory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



Tunde Adeola
z

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

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



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

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

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

Alternative Bank Limited

The Directors of Alternative Bank are as follows:

1.	**Mr. Muhtar Bakare**	–	Chairman
2.	**Mr. Abdulmumin Ali**	–	Independent Director*
3.	**Hajya Umma Dutse**	–	Independent Director
4.	**Mr. Emmanuel Onasanya**	–	Non-Executive Director
5.	**Mr. Yemi Odubiyi**	–	Non-Executive Director
6.	**Mrs. Morenikeji Folawiyo**	–	Non-Executive Director
7.	**Mrs. Temitayo Adegoke**	–	Non- Executive Director
8.	**Mr. Hassan Yusuf**	–	Managing Director
9.	**Mr. Garba Mohammed**	–	Executive Director
10.	**Mrs. Korede Demola-Adeniyi**	–	Executive Director

**Mr. Abdulmumin Ali was appointed effective 24th September 2024*

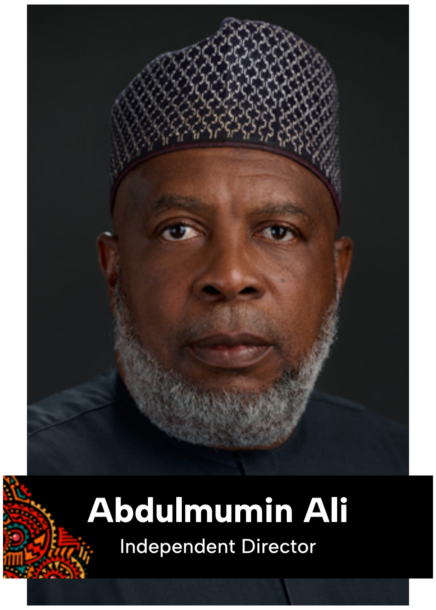
Mr. Muhtar Bakare has over 30 years of experience in banking, publishing, media start-ups, financial services, technology, real estate, renewable energy, and educational services.

He started his career at Nigeria International Bank (Citibank Nigeria) as a Management Associate and rose to the level of Assistant General Manager. He left Citibank to join Trust Bank of Africa (now Sterling Bank Ltd) as an Executive Director leading the Sales and Marketing Groups and helped to attract new talent and fresh capital, while providing strategic leadership that put the Bank on a path to transformation.

Mr. Bakare pivoted into the media industry, and founded Kachifo Limited, an independent publishing company, and its flagship imprint Farafina.

He is the Chairman of Kachifo Ltd (Farafina), Koidi Radio Ltd (Radio Now), Beyond Energy Resources Ltd, and Purple Group Limited (Maryland Mall). He also sits on the Boards of Descasio Ltd, Greensprings Educational Services Ltd, Bloom Bank Africa Liberia Limited, Noor Health Limited, Green stone Investment Company and Rainbow Educational Services Ltd.

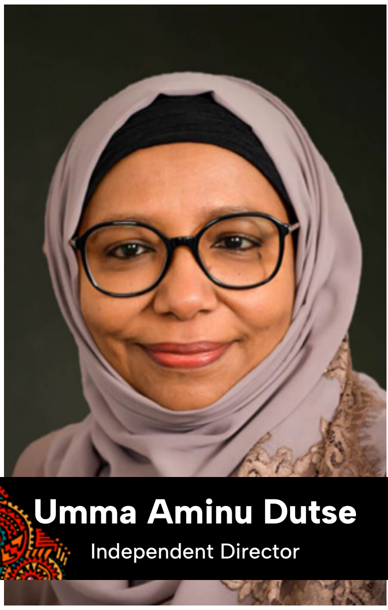
Mr. Bakare holds a B.Sc. and an M.Sc. in Architecture, from Obafemi Awolowo University. He also completed the Senior Executive Program for Africa (SEPA) at Harvard Business School and Wits Business School.



Mr. Ali is a Chartered Accountant and Chartered Tax Practitioner with over 30 years of experience in the banking industry. He began his career as an Operations Assistant at Nigerian International Bank (Citibank), before joining the Nigerian Deposit Insurance Corporation as a Bank Examiner. He later joined Standard Trust Bank (UBA Plc) and rose to the rank of Regional Director before joining First City Monument Bank as the Zonal Head, North-West. He is currently the Managing Director of QL Resources Limited, a company specializing in financial advisory services, compliance audit, and tax consulting.

He holds a B.Sc. in Accounting from the University of Port-Harcourt. He is a member of the Chartered Institute of Taxation of Nigeria and the Institute of Chartered Accountants of Nigeria. He has attended conferences from leading institutions including the Islamic Finance in a Changing World, Institute of Islamic Banking and Insurance (IIBI) Dubai, and International Islamic Finance Conference, Al Huda, Abu Dhabi.

Mr. Ali is also a Director on the Boards of QL Resources Limited, Teemah and Partners, and Shaduf Waterfields Limited.



Umma Aminu Dutse
Independent Director

Ms. Umma Dutse is an expert in conduct regulation and a professional people manager with over 30 years of experience in Banking and Financial Services regulation.

She began her career as a Supervisor at First Bank of Nigeria before joining the CBN as a Senior Supervisor. She was the Director, Human Resources Department, Central Bank of Nigeria (CBN).

Ms. Dutse also served as the Director in the Consumer Protection Department, where she led the development of robust strategies and structures towards regulating the conduct of financial service providers and improving consumer confidence in the financial system. She has served on several committees in the CBN and in the banking industry and represented the CBN on the boards of the Federal Mortgage Bank of Nigeria (FMBN) and the Nigeria Social Insurance Trust Fund (NSITF),

Ms. Dutse is an alumnus of the prestigious Bayero University Kano where she holds a B.Sc. (Honors) in Economics, and an MBA. She completed the Executive Program in Public Policy at Harvard Kennedy School, USA. She is a member of several professional bodies including the International Network for Financial Education (INFE) at the OECD in Paris, France.

Emmanuel Onasanya
Non-Executive Director

Mr. Onasanya is an experienced Finance executive with robust experience in budget planning, management accounting, and fiscal policy garnered over 30 years in Oil & Gas and Banking industries.

He is currently the Chairman of Magnet Microfinance Bank Ltd. Prior to that, he was Senior Manager Finance & Tax at Addax Petroleum Development Ltd. He also sits on the Boards of El-Clem Global Services Limited and Sosa Microfinance Limited.

Mr. Onasanya holds a BA in Business Management from Texas Tech University and an MBA in Finance and Economics from the University of Texas (San Antonio).

Yemi currently serves in the role of Group Chief Executive Officer of Sterling Financial Holdings Company PLC. Over the years, he's played a central role as a key member of the management team of Sterling Bank PLC [as it then was] from its founding in 2006, having originally joined through its legacy component, Trust Bank of Africa, back in 2003. Over that period, he's led teams across Operations, Technology, Strategy, Sales, Structured Finance, Corporate and Investment Banking, as well as Compliance and Risk Assurance.

Yemi has led the restructuring of the business of the banking group at various times in its evolution, serving as the transaction manager for its acquisition of Equitorial Trust Bank in 2011, and also its restructuring from universal banking license to a national bank in the same year, and selling the business of all its operating subsidiaries at the time, at a substantial profit. In 2012, he moved into the role of Chief Operating Officer, serving in that capacity until June 2018. He was appointed to the Board of Directors in December 2014.

In June 2018, he was mandated to lead the bank's largest business unit by revenue, the Corporate and Investment Bank, while simultaneously overseeing critical digital transformation initiatives. He served in both roles until June 2023, when upon completion of the restructuring of the company and final licensing of its operation as a financial holding company, he was appointed as Group Chief Executive Officer. Prior to joining Trust Bank of Africa Limited in 2003, Yemi started his banking career at Citibank Nigeria Limited in 1995, serving in multiple business units before his departure from the company. He holds first and graduate degrees from the University of Lagos, Nigeria. He is also a Director on the Boards of Seven Degrees North Limited, Terra Nova Limited and Sterling Financial Holdings Company Plc. He is also a Trustee of the Adeline Foundation.

Mrs. Folawiyo has over 30 years of experience spanning Commercial Law, Fashion, Art, Interior Design, and Lifestyle Management. She practiced commercial law before pursuing her passion for creative expression. She is an entrepreneur and founder of Alara, home to some of the world's leading luxury brands. Prior to founding Alara, she expressed her bias for art, fashion, and lifestyle by starting a collective of creatives. Bringing makers, artists, and fashion designers together, she started a studio which went on to expand into a wood and leather working company that produced both artisanal and commercial products.

Mrs. Folawiyo sits on the Boards of Riverside Properties, Sparkle Nigeria Limited, and RFH Limited, a leading interior design company, known for its unique products from collaborations with artisans and excellent finishing. She is also an inspirational/motivational speaker. She holds an LL.B from Warwick University, and a BL from the Nigerian Law School.

Temitayo Adegoke
Non-Executive Director

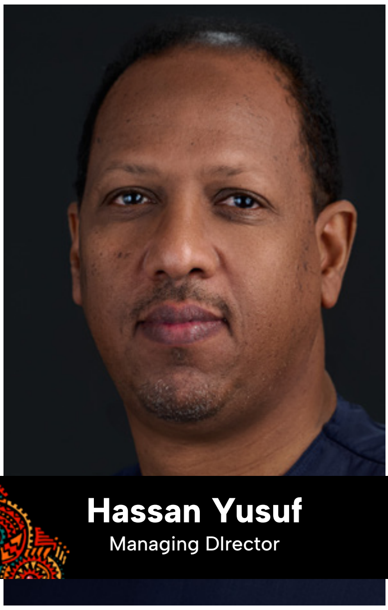
Mrs. Temitayo Adegoke is the Chief Operating Officer at Sterling Bank Ltd, with responsibility for shaping strategy and driving operational excellence.

She possesses over 20 years' experience in banking and commercial law practice. In her current role she oversees the Operations, Processing Units, Facility Management, and Administration and Legal Services within Sterling Bank.

Prior to her appointment as the COO, she served in various capacities within Sterling Bank and Sterling Financial Holdings Company Plc. She brings to the Board expertise in operatorship and execution, business advisory, risk management, financial regulatory compliance and corporate governance.

Temitayo has a Bachelor's degree in Law from the University of Lagos, a Master's degree in Law from Kings College, University of London, and an MBA degree from the University of Warwick, UK. She is an alumnus of Sa'id Business School, University of Oxford. She is a member of the Chartered Institute of Bankers of Nigeria (CIBN), a member of the International Bar Association, and the Chartered Institute of Arbitrators UK (Nigeria Branch.

She is also a Director on the Board of AG Plus Limited.



Hassan Yusuf
Managing DIrector

Mr. Hassan Yusuf is a professional banker. He has held high-level positions in several companies, including Chief Executive Officer (CEO) at Dahabshil Bank International, CEO at HAY Consultancy, and CEO at International Bank of Somalia.

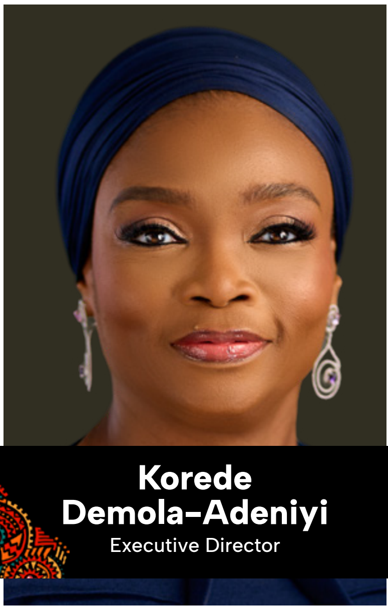
Mr. Yusuf has experience in fund management and has managed portfolios in excess of USD400 million. Over the course of his professional career, Mr. Yusuf has recorded several notable achievements such as the introduction of new financial products in investments, based on the Islamic Finance Contract model, development and implementation of new fund management for several companies responsible for Enterprise-Wide Risk Management, and the successful implementation of AML systems.

He has published several articles on areas such as Islamic Finance Development, Risk Management, and Shari'ah risk. He holds a Bachelor of Commerce from Osmania University India, and an MSc in Economics from the International Islamic University Malaysia (IIUM) Malaysia.

Garba Mohammed
Executive Director

Mr. Mohammed is a distinguished banking professional with 24 years of expertise in sales, relationship management, and credit analysis across diverse banking sectors. He currently serves as an Executive Director at Alternative Bank Limited, where his strategic vision and leadership skills are instrumental in driving the organisation's success. Before joining the Bank, Mr. Mohammed played a pivotal role at Sterling Bank as the Group Head of Non-Interest Banking (NIB). In this capacity, he was responsible for crafting the sales vision for the NIB window, streamlining operational efficiencies, and leading product development initiatives, demonstrating his capability to innovate and lead complex projects.

He has experience in business development, process improvement strategy, risk management, and customer experience. His career has also spanned several high-level roles at First City Monument Bank, including Zonal Business Head for North Central. These positions highlight his adeptness in leadership, contributing to his insight into banking's challenges and opportunities. Mr. Mohammed's academic credentials include a first-class degree in Mathematics and a specialized postgraduate certification in the Mechanics of Non-Interest Banking Products, underlining his strong analytical skills and dedication to continuous learning. As a senior member of the Chartered Institute of Bankers of Nigeria (CIBN) and a Certified Islamic Finance Analyst (CIFA), Mr. Mohammed's qualifications speak to his expertise and dedication to banking excellence. With a proven track record of results-driven leadership and a deep understanding of the banking industry, Mr. Mohammed is a key asset to Alternative Bank, poised to lead the institution in achieving its strategic objectives and maintaining its growth trajectory.



Korede Demola-Adeniyi
Executive Director

Korede, fondly known as KDA, is an award-winning banking executive renowned for leading global Boards of Directors to significant revenue growth and improved business partnerships. She holds a B.Sc. in Economics from the University of Benin, Edo State, Nigeria, and an M.Sc. in Economics from the University of Lagos, Nigeria. Her professional certifications include Leadership and Diversity for Innovation (Women's World Banking/Wharton), Women's Leadership Programme (Yale School of Management), Setting New Professional Directions (Harvard Business School), Senior Management Programme (Lagos Business School), Treasury Dealership Certificate (Money Market Association of Nigeria).

Korede has an extensive background with over 33 years of experience in the banking sector. Before joining Alternative Bank as the Executive Director (South), she spent two decades at Ecobank, where she held key leadership roles, culminating in her appointment as Head of Consumer Banking for the final four years of her tenure. Renowned for her strategic acumen and dynamic approach, Korede's diverse experience across Africa has equipped her with a unique perspective and an unwavering commitment to urgency and excellent execution. Her leadership has consistently driven transformative outcomes, earning her recognition for fostering innovative solutions and building strong business partnerships.

Report of The Directors

For the year ended 31 December 2024

The Directors present their Full Year report on the affairs of Sterling Financial Holdings Company Plc, together with the audited Group Financial Statements for the year ended 31 December 2024.

Corporate Structure and Business

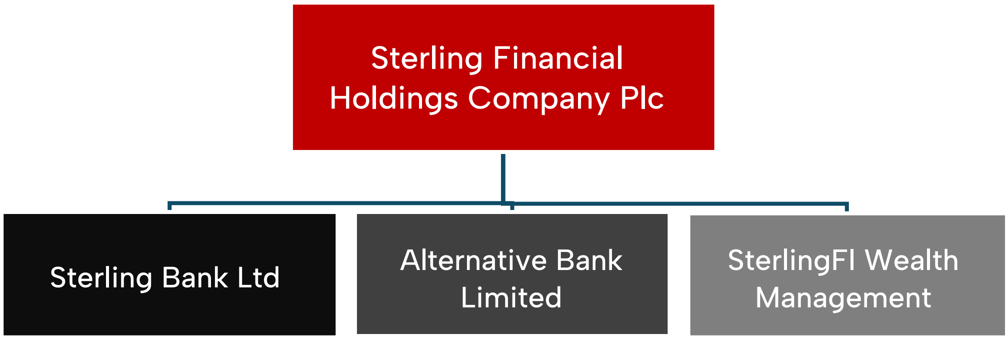
Principal Activity and Business Review

The principal activity of Sterling Financial Holdings Company Plc (the Company) is to carry on business as a non-operating financial holding company investing in companies as may be approved by the Board of Directors and in accordance with Central Bank of Nigeria's permissible activities. The Company has 3 (three) subsidiaries – Sterling Bank Limited, a commercial bank, Alternative Bank Limited, a non-interest bank, and SterlingFI , an asset management company.

Legal Form

Sterling Financial Holdings Company Plc was incorporated on 13th October 2021 as a private limited liability company and reregistered as a public company on 16th November 2022. The Company's shares were listed on Nigerian Exchange Limited on 6th April 2023.

Organizational Chart



REPORT OF THE DIRECTORS - Continued

OPERATING RESULTS

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

In millions of Naira	Group 2024	Group 2023	Company 2024	Company 2023
Gross earnings	337,192	221,773	14,044	14,895
Profit before income tax	45,862	22,693	11,474	13,116
Income tax expense	(2,187)	(1,109)	(1,075)	(9)
Profit after income tax	43,675	21,584	10,399	13,107
Profit attributable to equity holders	43,675	21,584	10,399	13,107
Total non-performing loans as % of gross loans	5%	5%	-	-
Earnings per share (kobo) – Basic	151k	75k	36k	46k
Earnings per share (kobo) – Diluted	151k	75k	36k	46k

Dividend

In accordance with the provisions of Section 426 of the Companies and Allied Matters Act 2020, the Directors have proposed a dividend of 18k per share (2023: nil), payable to shareholders whose names appear in the Register of Members at closure date. The proposed dividend will be presented to shareholders for approval at the next Annual General Meeting and paid subsequently subject to withholding tax at an appropriate rate.

REPORT OF THE DIRECTORS - Continued

Directors who served during the year

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

Name	Designation	Date appointed/retired	Interest represented
Mr. Adeyemi Adeola	Chairman	Appointed 27/06/2023	Alfanoma Nigeria Limited Plural Limited Reduvita Limited Quakers Integrated Services Limited Concept Features Limited
Ms. Eniye Ambakederemo	Independent Director	Appointed 27/06/2023	
Mr. Adeshola Adekoya	Non-Executive Director	Appointed 27/06/2023	STB Building Society Limited Eltees Properties Rebounds Integrated Services Limited
Ms. Aisha Bashir	Independent Director	Appointed 27/06/2023	
Mr. Ashutosh Kumar	Non-Executive Director	Appointed 29/07/2024	State Bank of India
Mr. Abubakar Suleiman	Non-Executive Director	Appointed 27/06/2023	
Mr. Yemi Odubiyi	Group Managing Director	Appointed 27/06/2023	
Mr. Olayinka Oni	Executive Director	Appointed 27/06/2023	

REPORT OF THE DIRECTORS - Continued

Going concern

The Directors assess the future performance and financial position of Sterling Financial Holdings Company Plc (Holdco) and its subsidiaries (the Group) on an ongoing basis and have no reason to believe that the Group will not be a going concern in the next twelve months from the date of this report. For this reason, these consolidated and separate financial statements are prepared on a going-concern basis.

Director's interests in shares

Interest of directors in the issued share capital of the Company as recorded in the Register of members and/or as notified by them for the purpose of Section 301 of the Companies and Allied Matters Act 2020 were as follows:

		31-Dec-24	31-Dec-24	31-Dec-23	31-Dec-23
	Names	Direct	Indirect	Direct	Indirect
1	Mr. Adeyemi Adeola	57,600,025	1,443,034,413	57,600,025	1,443,034,413
2	Ms. Eniye Ambakederemo	-		-	-
3	Mr. Adeshola Adekoya	-	1,311,980,527	-	1,413,979,057
4	Ms. Aisha Bashir	-		-	-
5	Mr. Ashutosh Kumar	-	2,549,505,026	-	2,549,505,026
6	Mr. Abubakar Suleiman	419,989,474		397,188,499	-
7	Mr. Yemi Odubiyi	376,417,493		351,417,493	-
8	Mr. Olayinka Oni	15,391,539		4,341,618	-

Director's interests in contracts

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

Director's Remuneration

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

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

	Type of Package Fixed	Description	Timing
1	Basic Salary	Part of gross salary package for Executive Directors only, reflects the financial services industry competitive salary package and the extent to which the Company'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 financial services industry competitive salary package and the extent to which the Company'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 Company's objectives have been met for the financial year.	Paid annually in arrears
4	Director Fees	Paid to Non-Executive Directors only.	Paid twice a year 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 Company is owned by Nigerian citizens, corporate bodies and foreign investors.

REPORT OF THE DIRECTORS - Continued

Analysis of shareholding
The range analysis of the distribution of the shares of the Holdco as at 31 December 2024 is as follows:

Range of shares			Number of holders	%	Number of units	%
1	-	1,000	34,302	37.79%	15,047,069	0.03%
1001	-	5,000	26,554	29.26%	60,121,190	0.13%
5,000	-	10,000	9,111	10.04%	62,193,375	0.14%
10,001	-	20,000	7,219	7.95%	98,337,779	0.22%
20,001	-	50,000	5,321	5.86%	167,138,417	0.37%
50,001	-	100,000	3,193	3.52%	225,021,735	0.50%
100,001	-	200,000	2,048	2.26%	293,642,673	0.65%
200,001	-	500,000	1,589	1.75%	501,274,714	1.10%
500,001	-	10,000,000	1,300	1.43%	2,088,107,076	4.59%
Above 10,000,001			118	0.13%	31,496,997,973	69.29%
Foreign shareholding			4	0.01%	10,449,202,790	22.98%
			90,759	**100.00%**	**45,457,084,791**	**100.00%**

The following shareholders have shareholding of 5% and above as at 31 December 2024:

	31-Dec-24	31-Dec-24	31-Dec-23	31-Dec-23
	Unit holding	% holding	Unit holding	% holding
Cardinal Stone Asset Management Limited (Sterling Closed Investment Fund)	16,666,666,667	36.66	-	-
Silverlake Investments Limited	7,197,604,531	15.83	7,197,604,531	25.00
State Bank of India	2,549,505,026	5.61	2,549,505,026	8.90
Dr. Mike Adenuga	-	-	1,620,376,969	5.60
Ess-ay Investments Limited	-	-	1,462,919,568	5.00

REPORT OF THE DIRECTORS - Continued

Donations and Charitable Gifts

The Group donated a total sum of N469.4million during the year ended 31 December 2024 (2023: N351.4million) to various charitable organizations in Nigeria, details of which are shown below. No donation was made to any political organization.

Details of Donation	Purpose	Amount (N'm)
28th National Economic Summit Sponsorship and Membership commitment	Sponsorship	70.0
Agriculture Summit Africa Partnership Support	Sponsorship	50.0
Ake Arts and Book Festival	Sponsorship	48.0
Financial Literacy and Public Enlightenment Support	Corporate Social Responsibility	35.9
Afro Flavour Food Festival	Sponsorship	35.9
Support for Educational Advancement Programmes and	Corporate Social Responsibility/Sponsorship	28.0
Support for Youth and Creative Development Initiatives	Corporate Social Responsibility/Sponsorship	26.0
Support for Environmental Sustainability Initiatives	Corporate Social Responsibility	18.7
Africa Fashion Week	Sponsorship	15.0
Lemu Marriage Summit 2024	Corporate Social Responsibility	15.0
Africa Social Impact Summit Partnership Support	Sponsorship	14.6
Sterling Environmental Makeover 2024	Corporate Social Responsibility	14.4
Institutional Support for Capacity Building and Professional	Sponsorship	19.5
Body of Bank's CEOs Flood Support Contribution	Corporate Social Responsibility	14.3
2024 Annual Peace And Unity Convention	Sponsorship	10.0
Ikoyi Golf Club Nig Cup 2024	Sponsorship	9.5
Sponsorship for Business and Investment Development	Sponsorship	7.3
Inter-Group Golf Tournament at IBB Intl Golf Club	Sponsorship	5.0
One Woman Mentorship Programme	Sponsorship	1.5
Other Donations and Collaborations	Corporate Social Responsibility/Sponsorship	30.9
		469.4

REPORT OF THE DIRECTORS - Continued

Gender Analysis of Staff

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

GROUP

DESCRIPTION	**NUMBER**	**% TO TOTAL STAFF**
Female new hire	352	37.9%
Male new hire	578	62.2%
Total new hire	930	100.0%
Female as at 31 December 2024	1,719	44.9%
Male as at 31 December 2024	2,107	55.1%
Total staff	3,826	100.0%

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

GRADE	**FEMALE**	**MALE**	**TOTAL**
Senior Management (AGM –GM)	16	47	63
Middle Management (DM – SM)	237	432	669
TOTAL	253	479	732

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

GRADE	FEMALE	MALE	TOTAL
Executive Director	1	4	5
Managing Director	-	3	3
Non-Executive Director	9	10	19
TOTAL	10	17	27

Total remuneration of the Group's Senior Management (Assistant General Managers, Deputy General Managers, General Managers and Executive Directors) in 2024 amounted to N750million (2023: N803million).

Acquisition of own shares

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

Property, plant and equipment

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

REPORT OF THE DIRECTORS - Continued

Employment and employees

Employment of disabled persons:

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

Health, safety and welfare of employees:

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

Employee training and development

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

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

Events after the reporting date

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

Auditors

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

BY ORDER OF THE BOARD:

Adeyoola Temple
Group Head, Company Secretariat
FRC/2018/PRO/NBA/002/00000012648
20 Marina, Lagos, Nigeria
19 May, 2025

SHAREHOLDING STRUCTURE/ FREE FLOAT STATUS

Description	31-December-2024 Unit	Percentage	31-December-2023 Unit	Percentage
Issued Share Capital	45,457,084,791	100%	28,790,418,124	100%
Substantial Shareholdings (5% and above)				
Cardinal Stone Asset Management Limited (Sterling Closed Investment Fund)	16,666,666,667	36.66%	-	-
Silverlake Investments Limited	7,197,604,531	15.83%	7,197,604,531	25.00%
State Bank of India	2,549,505,026	5.61%	2,549,505,026	8.86%
Mike Adenuga	-	-	1,620,376,969	5.63%
Ess-ay Investments Ltd	-	-	1,462,919,568	5.08%
Total Substantial Shareholdings	**26,413,776,224**	**58.11%**	**12,830,406,094**	**44.56%**
Director's Shareholdings (Direct, and Indirect), excluding directors with substantial interests				
Mr. Adeyemi Adeola (Direct)	57,600,025	0.13%	57,600,025	0.20%
Ms. Eniye Ambakederemo	-	0.00%	-	0.00%
Mr. Adeshola Adekoya	-	0.00%	-	0.00%
Ms. Aisha Bashir	-	0.00%	-	0.00%
Mr. Ashutosh Kumar	-	0.00%	-	0.00%
Mr. Abubakar Suleiman (Direct)	419,989,474	0.92%	397,188,499	1.38%
Mr. Yemi Odubiyi (Direct)	376,417,493	0.83%	351,417,493	1.22%
Mr. Olayinka Oni (Direct)	15,391,539	0.03%	4,341,618	0.02%
Total Directors Shareholdings	**869,398,531**	**1.91%**	**810,547,635**	**2.82%**
Other Influential Shareholdings				
Mike Adenuga	1,620,376,969	3.56%	-	0.00%
Ess-ay Investments Ltd	1,462,919,568	3.22%	-	0.00%
Afriswiss Asset Management Ltd	575,808,362	1.27%	575,808,362	2.00%
FCMB Nominees Ltd/Pacific Credit Ltd	524,273,018	1.15%	554,273,018	1.93%
Hyers Capital Ltd	515,808,362	1.13%	575,808,362	2.00%
Rankinton, Investments Inc	477,367,650	1.05%	477,367,650	1.66%
Adeola, Tajudeen Afolabi	404,285,555	0.89%	504,285,555	1.75%
Sterling Bank Co-operative Multipurpose Society Limited	257,805,841	0.57%	290,901,008	1.01%
Int'l Beer & Beverages Limited	205,716,974	0.45%	354,458,383	1.23%
Others	968,205,643	2.13%	968,205,643	3.36%
Festus Alani Fadeyi	-	0.00%	480,449,895	1.67%
AX SCML Nominees	-	0.00%	300,000,000	1.04%
Total other Influential Shareholdings	**7,012,567,942**	**15.43%**	**5,081,557,876**	**17.65%**
Free Float in Units and Percentage	**11,161,342,094**	**24.55%**	**10,067,906,519**	**34.97%**
Free Float in Value	**N62,430,182,791.00**		**N44,603,914,577.06**	

Declaration:

(A) Sterling Financial Holdings Company Plc with a free float percentage of 24.55% as at 31 December 2024, is compliant with the Exchange's free float requirements for companies listed on the Main Board.

(B) Sterling Financial Holdings Company Plc with a free float percentage of 34.97% as at 31 December 2023, is compliant with the Exchange's free float requirements for companies listed on the Main Board.

Statement of Directors' Responsibilities

In Relation To The Preparation of the Consolidated and Separate Financial Statements

The Directors of Sterling Financial Holdings Company Plc 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 Company as at 31 December 2024, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies and Allied Matters Act 2020, Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023. In preparing the financial statements, the Directors are responsible for:

a. properly selecting and applying accounting policies;

b. presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

c. providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

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

The financial statements of the Group for the year ended 31 December 2024 were approved by the directors on 19 May, 2025.

Signed on behalf of the Directors by:

Yemi Odubiyi
Group Managing Director
FRC/2013/PRO/DIR/003/00000001279

Adeyemi Adeola
Chairman
FRC/2014/PRO/DIR/003/00000001257

Statement of Corporate Responsibility for the Financial Statements

(a) In accordance with section 405 of the Companies and Allied Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

(i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and

(ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements;

(b) We state that management and directors:

(i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Group is made known to the officer by other officers of the group and company, particularly during the period in which the audited financial statement report is being prepared.

(ii) has evaluated the effectiveness of the group's internal controls within 90 days prior to the date of its audited financial statements, and

(iii) certifies that the group's internal controls are effective as of that date;

(c) We have disclosed:

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the group and company's ability to record, process, summarize and report financial data, and has identified for the group and company's auditors any material weaknesses in internal controls, and

(ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the group and company's internal control; and

(iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors 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.

The financial statements of the Group and the Company for the year ended 31 December 2024 were approved by the directors on 19 May, 2025.

Signed by:

Adebimpe Olambiwonnu, FCA	**Yemi Odubiyi**
Chief Finance Officer	*Group Managing Director*
FRC/2013/PRO/ICAN/001/00000001253	FRC/2013/PRO/DIR/003/00000001279

Report of the Statutory Audit Committee to the Members of Sterling Financial Holdings Company Plc

In accordance with the provision of Section 404 (7) of the Companies and Allied Matters Act 2020, the members of the Statutory Audit Committee of Sterling Financial Holdings Company Plc and its subsidiary hereby report as follows:

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

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

Alhaji Mustapha Jinadu, F.CIoD
Chairman, Statutory Audit Committee **19 May, 2025**
FRC/2013/PRO/IODN/002/00000001516

Members of the Statutory Audit Committee are:

1	Alhaji Mustapha Jinadu, F.CIoD	Chairman
2	Mr. Adeshola Adekoya	Member
3	Mr. Idongesit Udoh	Member
4	Ms. Christie Vincent	Member
5	Ms. Enyie Ambakederemo	Member

In attendance:
Adeyoola Temple — Group Head, Company Secretariat

Report of External Consultants on the Board Performance Evaluation

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 Financial Holdings Company Plc.

We have performed the evaluation of the Board of Sterling Financial Holdings Company Plc ("Sterling Financial Holdings") for the year ended 2024 in accordance with the CBN Corporate Governance Guidelines 2023 (CBN CGG 2023), Securities and Exchange Commission (SEC) Corporate Governance Guidelines, 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 Company's objectives. Subsection 15.2 of the FRC NCCG states that the summary of the report of this evaluation should be included in the Company's annual report and on the investors' portal. Our approach included the review of Sterling Financial Holdings 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 Company.

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

Based on our work, the Board of Sterling Financial Holdings has complied with the CBN Corporate Governance Guidelines 2023, the SEC Corporate Governance Guidelines and the FRC Nigerian Code of Corporate Governance 2018 during the year ended 31st December 2024.

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

For: Ernst & Young

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

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

In line with the provisions of Section 1.3 of Securities and Exchange Commission's Guidance on Implementation of Sections 60 - 63 of Investments and Securities Act (ISA) 2007, and Financial Reporting Council's (FRC) guideline in fulfillment of the FRC (Amendment) Act, 2023, we hereby make the following statements regarding the internal controls of Sterling Financial Holdings Company Plc for the year ended 31 December 2024:

i. Sterling Financial Holdings Company Plc'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 Financial Holdings Company Plc'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 entity's ICFR.

iii. Sterling Financial Holdings Company Plc's management has assessed that the entity's ICFR as of the end of 31 December 2024 is effective.

iv. Sterling Financial Holdings Company Plc's external auditor, Messrs. Deloitte & Touche, that audited the financial statements, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs. Deloitte & Touche that audited the financial statements is included as part of Sterling Financial Holdings Company Plc's annual report.

March 28, 2025

Adebimpe Olambiwonu	**Yemi Odubiyi**
Chief Financial Officer	Group Managing Director
FRC/2013/PRO/ICAN/001/00000001253	FRC/2013/PRO/DIR/003/00000001279

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

In line with the provisions of Section 1.1 of Securities and Exchange Commission's Guidance on Implementation of Sections 60 - 63 of Investments and Securities Act (ISA) 2007, I hereby make the following statements regarding the internal controls of Sterling Financial Holdings Company Plc for the year ended 31 December 2024:

I, **Adebimpe Olambiwonnu**, certify that:

a) I have reviewed this Management Assessment on Internal Control over Financial Reporting of Sterling Financial Holdings Company Plc;

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 Company as of, and for, the periods presented in this report;

d) The Company'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 Company, and its consolidated subsidiaries, is made known to us by others within those entities, 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 Company'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.

Sterling Financial Holdings Company Plc.
(RC. No. 1851010)
Head Office: 20 Marina, Lagos
Tel: 01-7003270
sterling.ng

e) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of the internal control system, to the Company'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 Company'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 Company's internal control system.

f) The Company'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.

Adebimpe Olambiwonu
Chief Financial Officer
FRC/2013/PRO/ICAN/001/00000001253
28 March, 2025

Sterling

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

In line with the provisions of Section 1.1 of Securities and Exchange Commission's Guidance on Implementation of Sections 60 - 63 of Investments and Securities Act (ISA) 2007, I hereby make the following statements regarding the internal controls of Sterling Financial Holdings Company Plc for the year ended 31 December 2024:

I, **Yemi Odubiyi**, certify that:

a) I have reviewed this Management Assessment on Internal Control over Financial Reporting of Sterling Financial Holdings Company Plc;

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 Company as of, and for, the periods presented in this report;

d) The Company'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 Company, and its consolidated subsidiaries, is made known to us by others within those entities, 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 Company'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.

Sterling Financial Holdings Company Plc.
(RC. No. 1851010)

Head Office: 20 Marina, Lagos
Tel: 01-7003270
sterling.ng

e) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of the internal control system, to the Company'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 Company'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 Company's internal control system.

f) The Company'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.

Yemi Odubiyi
Group Managing Director
FRC/2013/PRO/DIR/003/00000001279
28 March, 2025

Report of External Auditors Review on the Extent of Compliance with Corporate Governance Requirements

Deloitte.

Deloitte & Touché
Civic Towers, Plot GA 1
Ozumba Mbadiwe Avenue
Victoria Island, Lagos
Nigeria.
Tel: +234 1 2717800
Fax: +234 1 2717801
www.deloitte.com/ng

March 2025

The Chairman
Sterling Financial Holdings Company PLC
Sterling Towers,
20 Marina,
Lagos Island.

Dear Sir,

Report of External Auditors Review on the Extent of Compliance with Corporate Governance Requirements for Sterling Financial Holdings Company PLC

Deloitte & Touche has performed an independent review to determine the extent of Sterling Financial Holdings Company PLC ("Sterling Holdco") compliance with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG 2018) and CBN Corporate Governance Guidelines for Financial Holding Companies (CBN CG Guidelines for FHCs) for the year ended 31 December 2024.

The review was performed in compliance with Section 18.2 of the CBN CG Guidelines for FHCs. 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 Financial Holding Companies (CBN CG Guidelines for FHCs), and other relevant codes of corporate governance.

The result of our review has shown that the Company generally complies with the provisions of the NCCG and the CBN CG Guidelines for FHCs. 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 Company.

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

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

P.O. Box 965
Marina
Lagos
Nigeria

Deloitte & Touche
Civic Towers
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island
Lagos
Nigeria

Tel: +234 (1) 904 1700
www.deloitte.com.ng

Assurance Report of Independent Auditor
To the Shareholders of Sterling Financial Holdings Company Plc
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 Financial Holdings Company Plc** as of 31 *December 2024*, in accordance with the FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the FRC Guidance on Management report on Internal Control over Financial Reporting. **Sterling Financial Holdings Company Plc***'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 Group* and our report dated 18 June 2025 expressed an *unmodified* opinion.

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

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

I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;

II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and directors of the entity; and

III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

MAKING AN
IMPACT THAT
MATTERS
since 1845

Deloitte.

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

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

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

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

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

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

Auditor's Responsibility and Approach
Our responsibility is to express a limited assurance opinion on the Group's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the SEC Guidance on the implementation of Section 60-63 of the Investment and Securities Act 2007 for all listed companies and 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 Group did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

Deloitte.

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 Group established and maintained an effective system of internal control over financial reporting.

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

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

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

Lagos Nigeria
Date: 18 June 2025

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0396845

Deloitte.

P.O. Box 965
Marina
Lagos
Nigeria

Deloitte & Touche
Civic Towers
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island
Lagos
Nigeria

Tel: +234 (1) 904 1700
www.deloitte.com.ng

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF STERLING FINANCIAL HOLDINGS COMPANY PLC
REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of **STERLING FINANCIAL HOLDINGS COMPANY PLC** and its subsidiaries (the Group and Company) set out on pages 179 to 318 which comprise the consolidated and separate statement of financial position as at 31 December, 2024, the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity, and the consolidated and separate statement of cash flows for the year then ended, the notes to the consolidated and separate financial statements including a summary of 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 FINANCIAL HOLDINGS COMPANY PLC** as at 31 December 2024, and its consolidated and separate financial performance and the 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, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, Shariah Governance Requirements issued by Central Bank of Nigeria Financial Regulation Advisory Council of Expert and other relevant standards issued by Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and relevant Central Bank of Nigeria guidelines and circulars.

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 Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of the consolidated and separate financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of the 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 Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated and separate financial statements of the current period. The matter was 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 the matter.

175 | MAKING AN IMPACT THAT MATTERS since 1845

Key Audit Matter	
Identification and measurement of impairment of Financial assets	How the matter was addressed in the audit
As disclosed in note 2.2.2 (vii) to the financial statements, in line with the provisions of IFRS 9, The Group identifies and measures loss allowances based on Expected Credit Loss (ECL) model on the following financial instruments. • Financial guarantee contracts issued; • Loan commitment issued; • Financial assets that are debt instruments; • Finance facilities; • Sukuk instruments;	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.
The Group 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.	We evaluated the design and tested the implementation and operating effectiveness of the key controls over the computation of impairment loss.
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.	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 Group's historical performance.
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.	We assessed the adequacy of the disclosures in the financial statements relating to financial assets.
Accordingly, for the purposes of our audit, we have identified identification and measurement of impairment of financial assets as a key audit matter.	Based on the work performed, we found the Directors key judgements and assumptions to be reasonable. We are satisfied that the related disclosures in the financial statements are appropriate.

Other Information

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

Deloitte.

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,Shariah Governance Requirements issued by Central Bank of Nigeria Financial Regulation Advisory Council of Expert and other relevant standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) 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 Company's abilities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Deloitte.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the Company's consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance we determine the matter that was of most significance in the audit of the consolidated and separate financial statements of the current period and is therefore the key audit matter. We describe the matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of the Entity's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on the procedures we have performed, and the evidence obtained, we have issued an Unmodified conclusion in our report dated 18 June 2025. That report is included on page 172-174 of the annual report and financial statements.

Michael Daudu
FRC/2013/PRO/ICAN/0004/00000000845

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
18 June 2025

Consolidated and Separate Statements of

Profit or Loss and Other Comprehensive Income

In millions of Naira	Note(s)	Group 2024	Group 2023	Company 2024	Company 2023
Interest income using effective interest rate	6	258,818	156,102	1,120	183
Interest expense using effective interest rate	7	(124,012)	(72,718)	-	-
Net interest income		**134,806**	**83,384**	**1,120**	**183**
Fees and commision income	8	44,300	34,956	-	-
Fees and commision expense	8	(10,372)	(8,850)	-	-
Net fees and commision income		**33,928**	**26,106**	**-**	**-**
Net trading income	9	15,653	20,794	-	-
Other operating income/revenue	10	18,421	9,921	12,924	14,712
Credit loss expense	11	(10,784)	(12,335)	-	-
Personnel expenses	12	(31,327)	(22,982)	(687)	(267)
Operating expenses	13.1	(87,436)	(59,474)	(1,693)	(1,461)
Depreciation and amortisation	13.2	(5,625)	(4,814)	(80)	(22)
Other property, plant and equipment costs	13.3	(21,774)	(17,907)	(110)	(29)
Profit before windfall and income taxes		**45,862**	**22,693**	**11,474**	**13,116**
Income tax expense	14a(i)	1,496	(1,109)	(1,075)	(9)
Windfall tax	14a (ii)	(3,683)	-	-	-
Profit for the year		**43,675**	**21,584**	**10,399**	**13,107**
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		6,890	6,956	-	-
Total items that will not be reclassified to profit or loss in subsequent period		6,890	6,956	-	-
Items that will be reclassified to profit or loss in subsequent period:					
Debt instruments at fair value through other comprehensive income**:					
- Net change in fair value during the year		(2,877)	5,385	-	-
Net gains on debt instruments at fair value through other comprehensive income		(2,877)	5,385	-	-
Total items that will be reclassified to profit or loss in subsequent period		**(2,877)**	**5,385**	**-**	**-**
Other comprehensive income for the year, net of tax		**4,013**	**12,341**	**-**	**-**
Total comprehensive income for the year, net of tax		**47,688**	**33,925**	**10,399**	**13,107**
Profit attributable to:					
Equity holders of the Company		43,675	21,584	10,399	13,107
Total comprehensive income attributable to:					
Equity holders of the Company		47,688	33,925	10,399	13,107
Earnings per share - basic (in kobo)	15	151k	75k	36k	46k
Earnings per share - diluted (in kobo)	15	151k	75k	36k	46k

**Income from these instruments is exempted from tax.

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 2024

In millions of Naira	Note(s)	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
ASSETS					
Cash and balances with Central Bank of Nigeria	16	867,125	604,599	-	-
Due from banks	17	569,455	234,953	14,735	8,696
Pledged assets	18	28,675	11,272	-	-
Derivative financial assets	19	-	276	-	-
Loans and advances to customers	20	1,103,970	895,822	-	-
Investments in securities:					
- Financial assets at fair value through profit or loss	21(a)	27,491	2,112	-	-
- Debt instruments at fair value through other comprehensive income	21(b)	485,529	316,204	-	-
- Equity instruments at fair value through other comprehensive income	21(c)	48,635	36,906	-	-
- Debt instruments at amortised cost	21(d)	81,369	130,730	-	-
Investment in subsidiary	22	-	-	225,819	151,654
Other assets	23	219,964	242,110	5,632	411
Property, plant and equipment	24.1	56,974	31,987	236	296
Right-of-use asset	24.2	12,106	9,103	-	-
Investment property	24.3	4,036	4,790	-	-
Intangible assets	25	3,263	721	-	-
Deferred tax assets	14(i)	33,348	9,507	-	-
TOTAL ASSETS		**3,541,940**	**2,531,092**	**246,422**	**161,057**
LIABILITIES					
Deposits from Banks	27	49,364	-	-	-
Deposits from customers	28	2,518,512	1,842,815	-	-
Current income tax payable	14(b)	3,382	1,468	953	3
Other borrowed funds	29	213,834	208,685	-	-
Debt securities issued	30	34,056	33,959	-	-
Other liabilities	31.1	396,727	257,910	717	612
Provisions	31.2	576	724	-	-
Deferred tax liabilities	14(i)	20,330	1,927	44	-
TOTAL LIABILITIES		**3,236,781**	**2,347,488**	**1,714**	**615**
EQUITY					
Share capital	32.1(b)	22,729	14,395	22,729	14,395
Share premium		108,292	42,759	108,292	42,759
Retained earnings		63,073	42,506	19,187	8,788
Other components of equity	34	111,065	83,944	94,500	94,500
Total equity		**305,159**	**183,604**	**244,708**	**160,442**
TOTAL LIABILITIES AND EQUITY		**3,541,940**	**2,531,092**	**246,422**	**161,057**

The consolidated and separate financial statements were approved by the Board of Directors on 19 May, 2025 and signed on its behalf by:

Yemi Odubiyi
Group Managing Director
FRC/2013/PRO/DIR/003/00000001279

Adebimpe Olambiwonnu, FCA
Chief Finance Officer
FRC/2013/PRO/ICAN/001/00000001253

Adeyemi Adeola
Chairman
FRC/2014/PRO/DIR/003/00000001257

Consolidated and Separate Statements of Changes in Equity

In millions of Naira	Share capital	Share premium	Fair value reserve	Share capital reserve	Regulatory risk reserve	SMEEIS reserve	AGSMEIS reserve	Statutory reserve	PPPRA reserve	Total other components of equity	Retained earnings	Total
GROUP												
At 1 January 2024	14,395	42,759	19,036	5,276	22,926	235	4,489	31,982	-	83,944	42,506	**183,604**
Comprehensive income for the year:												
Profit for the year	-	-	-	-	-	-	-	-	-	-	43,675	**43,675**
Other comprehensive income for the year, net of tax:												**-**
Net change in fair value of other financial instruments at FVOCI	-	-	(2,877)	-	-	-	-	-	-	(2,877)	-	**(2,877)**
Net change in fair value of equity instruments at FVOCI	-	-	6,890	-	-	-	-	-	-	6,890	-	**6,890**
Total comprehensive income	-	-	4,013	-	-	-	-	-	-	4,013	43,675	**47,688**
Transactions with equity holders, recorded directly in equity:												
Dividends to equity holders (note 33)	-	-	-	-	-	-	-	-	-	-	-	**-**
Proceed from ordinary share issued	8,334	65,533	-	-	-	-	-	-	-	-	-	**73,867**
Transfer to regulatory risk reserve (Note 34.1d)	-	-	-	-	13,460	-	-	-	-	13,460	(13,460)	**-**
Transfer to statutory risk and AGSMEIS reserves (Notes 34.1a & 34.c)	-	-	-	-	-	-	2,034	7,614	-	9,648	(9,648)	**-**
As at 31 December 2024	**22,729**	**108,292**	**23,049**	**5,276**	**36,386**	**235**	**6,523**	**39,596**	**-**	**111,065**	**63,073**	**305,159**

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

EQUITY RESERVES

In millions of Naira	Share capital	Share premium	Fair value reserve	Share capital reserve	Regulatory risk reserve	SMEEIS reserve	AGSMEIS reserve	Statutory reserve	PPPRA reserve	Total other components of equity	Retained earnings	Total
GROUP												
Balance at 1 January 2023	14,395	42,759	6,695	5,276	10,195	235	3,347	28,200	(2,026)	51,922	44,922	153,998
Comprehensive income for the year:												
Profit for the year	-	-	-	-	-	-	-	-	-	-	21,584	21,584
Other comprehensive income for the year, net of tax:	-	-		-	-	-	-	-	-	-	-	-
Net change in fair value of other financial instruments at FVOCI	-	-	12,341	-	-	-	-	-	-	12,341		12,341
Total comprehensive income	-	-	12,341	-	-	-	-	-	-	12,341	21,584	33,925
Transactions with equity holders, recorded directly in equity:												
Dividends to equity holders (note 33)	-	-	-	-	-	-	-	-	-	-	(4,319)	(4,319)
Unwinding of PPPRA reserve			-	-	-	-	-	-	2,026	2,026	(2,026)	-
Transfer to regulatory risk reserve (Note 34.1d)			-	-	12,731	-	-	-	-	12,731	(12,731)	-
Transfer to statutory reserve and AGSMEIS reserves (Notes 34.1a & 34.c)			-	-	-	-	1,142	3,782	-	4,924	(4,924)	-
As at 31 December 2023	**14,395**	**42,759**	**19,036**	**5,276**	**22,926**	**235**	**4,489**	**31,982**	**-**	**83,944**	**42,506**	**183,604**

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

In millions of Naira	Share capital	Share premium	Fair value reserve	capital reserve	Regulatory risk reserve	SMEEIS reserve	AGSMEIS reserve	Statutory reserve	organisation Reserve	Total equity reserves	Retained earnings	Total
COMPANY												
Balance at 1 January 2024	**14,395**	**42,759**	**-**	**-**	**-**	**-**	**-**	**-**	**94,500**	**94,500**	**8,788**	**160,442**
	14,395	**42,759**	**-**	**-**	**-**	**-**	**-**	**-**	**94,500**	**94,500**	**8,788**	**160,442**
Comprehensive income for the year:												
Profit for the year	-	-	-	-	-	-	-	-	-	-	10,399	**10,399**
Total comprehensive income	-	-	-	-	-	-		-	-	-	10,399	**10,399**
Transactions with equity holders, recorded directly in equity:												
Proceed from ordinary share issued	8,334	65,533	-	-	-	-	-	-	-	-	-	**73,867**
Dividends to equity holders (note 33)										-		
Balance at 31 December 2024	**22,729**	**108,292**	**-**	**-**	**-**	**-**	**-**	**-**	**94,500**	**94,500**	**19,187**	**244,708**

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

EQUITY RESERVES

In millions of Naira	Share capital	Share premium	Fair value reserve	Share capital reserve	Regulatory risk reserve	SMEEIS reserve	AGSMEIS reserve	Statutory reserve	Re-organisation Reserve	Total equity reserves	Retained earnings	Total
COMPANY												
Balance at 1 January 2023	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the year:												
Profit for the year	-	-	-	-	-	-	-	-	-	-	13,107	13,107
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	13,107	13,107
Transactions with equity holders, recorded directly in equity:												
Shares transferred	14,395	42,759	-	-	-	-	-	-	94,500.00	94,500.00	-	151,654
Dividends to equity holders (note 33)	-	-	-	-	-	-	-	-	-	-	(4,319)	(4,319)
Transfer to statutory risk & AGSMEIS reserve (Notes 34.1a & 34.c)	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2023	**14,395**	**42,759**	**-**	**-**	**-**	**-**	**-**	**-**	**94,500**	**94,500**	**8,788**	**160,442**

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

Consolidated and Separate Statements of Cash Flows

In millions of Naira	Note(s)	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
Profit for the year		43,675	21,584	10,399	13,107
Adjustments for non cash items:					
Credit loss expense	11	10,784	12,335	-	-
Depreciation and amortisation	13.2	5,625	4,814	80	22
Dividend income	10	(676)	(476)	(7,567)	(14,319)
Gain on disposal of property, plant and equipment	10	(1,272)	(80)	(1)	-
Property, plant and equipment written off		31	25	-	-
Gain on disposal of investment property		(7,616)	(442)	-	-
Unrealised (gain)/loss on FVTPL instruments		(979)	398	-	-
Increase/(decrease) in provision		11	(25)	-	-
Net interest income		(134,806)	(83,384)	(1,120)	(183)
Net foreign exchange loss	9	(2,135)	(6,232)	-	-
Income tax	14a(i)	(1,496)	1,109	1,075	9
Windfall tax	14a (ii)	3,683	-	-	-
		(85,171)	(50,374)	2,866	(1,364)
Changes in operating assets:					
Deposits with the Central Bank of Nigeria		(329,410)	(152,382)	-	-
Investment securities at FVTPL		(24,400)	(1,589)	-	-
Pledged assets		(17,007)	12,151	-	-
Loans and advances to customers		(149,439)	4,444	-	-
Derivative financial assets		276	531	-	-
Other assets		70,966	(6,088)	(5,221)	(411)
		(534,185)	(193,307)	(2,355)	(1,775)
Changes in operating liabilities:					
Deposits from banks		49,364	(37,178)	-	-
Deposits from customers		419,909	288,425	-	-
Other liabilities		23,949	(17,758)	29	606
Cash generated from operations		(40,963)	40,182	(2,326)	(1,169)
Interest received		282,038	152,844	1,120	183
Interest paid on deposits from banks and customers		(61,888)	(40,208)	-	-
Income tax paid	14(b)	(1,284)	(1,518)	(5)	-
Net cash flows from operating activities		177,903	151,300	(1,211)	(986)
Investing activities					
Purchase of property, plant and equipment	24.1	(29,690)	(17,726)	(74)	(318)
Purchase of intangible assets	25	(3,042)	(218)	-	-
Purchase of investment property	24.3	(258)	-	-	-
Proceeds from sale of investment property		8,588	1,173	-	-
Right-of-use-asset		(2,591)	(1,656)	-	-
Proceeds from sale of property, plant and equipment		1,892	175	55	-
Purchase of debt instruments at FVOCI		(339,447)	(141,619)	-	-
Proceeds from sale/redemption of debt instruments at FVOCI		203,077	97,081	-	-
Purchase of debt instruments at amortised cost		(22,039)	(69,097)	-	-
Redemption of debt instruments at amortised cost		69,943	44,029	-	-
Investment in subsidary		-	-	(74,165)	-
Dividends received	10	676	476	7,567	14,319
Net cash flows used in investing activities		(112,891)	(87,382)	(66,617)	14,001
Financing activities:					
Proceeds from other borrowed funds	29	25,800	61,615	-	-
Repayments of other borrowed funds	29	(73,317)	(48,926)	-	-
Repayment of debt securities issued	30	-	(7,965)	-	-
Interest paid on other borrowed funds & debt issued		(39,230)	(29,329)	-	-
Ordinary shares issued		73,867	-	73,867	-
Lease liability paid		(36)	(8)	-	-
Dividends paid		-	(4,319)	-	(4,319)
Net cash flows used in financing activities		(12,916)	(28,932)	73,867	(4,319)
Net increase in cash and cash equivalents		52,096	34,986	6,039	8,696
Effect of exchange rate changes on cash and cash equivalents		215,522	134,237	-	-
Cash and cash equivalents at 1 January		391,875	222,652	8,696	-
Cash and cash equivalents at 31 December	38	659,493	391,875	14,735	8,696

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.

Group ***In millions of Naira***	**Note(s)**	**As at 31 Dec 2024**	**As at 31 Dec 2023**
Transfer to Regulatory Risk Reserve			
Prudential provision		85,740	61,590
Total Prudential provision		**85,740**	**61,590**
IFRS provision			
Impairment allowance on loans to corporate entities	20.1	13,748	18,922
Impairment allowance on loans to individuals	20.2	23,726	11,722
Allowances for impairment for other assets	23	9,565	5,697
Impairment allowance on debt instruments at amortised cost	21(d)	121	282
Impairment allowance on pledged assets at amortised cost	18.2	14	16
Impairment allowance on pledged assets at FVOCI	18.3.1	4	-
Impairment allowance on debt instruments at FVOCI	21(e)	1,600	1,301
Provisions for litigation, letters of credits and guarantees	31.2	576	724
		49,354	**38,664**
Difference in impairment provision balances		36,386	22,926
Movement in the Regulatory Risk Reserve:			
Balance at the beginning of the year		22,926	10,195
Transfer (from) / to Regulatory Risk Reserve		13,460	12,731
		36,386	22,926

Notes to the Consolidated and Separate Financial Statements

1 Corporate information

Sterling Financial Holdings Company Plc ("the Company") is a company incorporated in Nigeria with registered office at 20 Marina Lagos. These separate and consolidated financial statements, for the year ended 31 December 2024, are prepared for the Company and the Group (Holding Company and its subsidiaries, separately referred to as "Group entities") respectively.

The Group operating entities are engaged in commercial banking with emphasis on retail and consumer banking, trade services, corporate, investment and non-interest 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 Financial Holdings Company Plc and its subsidiaries for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 19 May, 2025.

2 Accounting Policies

2.1 Basis of preparation and statement of compliance

The consolidated and separate financial statements of the Company and its subsidiaries have been prepared in accordance with IFRS accounting standards ("IFRS") 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 Companys and Other Financial Institutions Act of Nigeria, 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 (₦'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) for financial instruments 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.1 Basis of preparation and statement of compliance - continued

(c) Basis of Consolidation

The consolidated and separate financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023.Sterling Financial Holdings Company consolidates a subsidiary when it controls the entity. Control is achieved when the Company 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 Company 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 Company considers all relevant facts and circumstances, including:

- The purpose and design of the investee;
- The relevant activities and how decisions about those activities are made and whether the Company can direct those activities;
- Contractual arrangements such as call rights, put rights and liquidation rights;
- Whether the Company 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:

2.2 Summary of material accounting policies - Continued

- 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.

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.

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.

2.2.2 Financial instruments

(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.

2.2 Summary of material accounting policies

2.2.2 Financial instruments - continued

(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.

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 Companys, 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.

2.2 Summary of material accounting policies

2.2.2 Financial instruments - continued

(iii) Subsequent measurement - continued

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.

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.

2.2 Summary of material accounting policies - continued

2.2.2 Financial instruments - continued

(iv) Business model assessment - continued

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.

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.

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 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 as fair value through profit or loss'.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies

2.2.2 Financial instruments - continued

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 Companys 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

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 Company/stressed liquidity scenarios
- Credit risk event i.e. perceived issuer default
- In the event of merger and takeover, the Company 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.

2.2 Summary of material accounting policies

2.2.2 Financial instruments - continued

(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

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.

2.2 Summary of material accounting policies

2.2.2 Financial instruments - continued

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 39 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.

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.

2.2 Summary of material accounting policies

2.2.2 Financial instruments - continued

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 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 Companyruptcy 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

2.2 Summary of material accounting policies

2.2.2 Financial instruments - continued

(vii) Impairment of financial assets- continued

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 instruments 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.

2.2 Summary of material accounting policies

2.2.2 Financial instruments - continued

(viii) Embedded derivatives

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

The Group did not have any embedded deriavtive in the 2022 financial year (2021: nil)

(ix) Offsetting financial instruments -

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

(x) Derivative financial instruments:

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Derivative assets and liabilities arising from different transactions are only offset where there is a legal right of offset of the recognised amounts and the parties intend to settle the cash flows on a net basis, or realise the asset and settle the liability simultaneously.

(xi) De-recognition of financial instruments -

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Assets pledged as collateral', if the transferee has the right to sell or repledge them.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

(xii) Financial guarantees and loan commitments

The date that the entity becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of applying the impairment requirements. Financial guarantees issued are initially measured at fair value and the fair value is amortised over the life of the guarantee. Subsequently, the financial guarantees are measured at the higher of this amortised amount and the amount of expected loss allowance (See Note 35(b)). The Group also recognises loss allowance for its loan commitments (See Note 35(b)). The expected loss allowance for the Loan commitment is calculated as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.

2.2 Summary of material accounting policies

(xiii) Inventories

Inventories include assets of finished goods held by the Group for sale in the ordinary course of business. They are stated at the lower of cost and net realisable value and include other costs incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

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.

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.

2.2 Summary of material accounting policies

2.2.3 Revenue recognition- continued

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. Non-interest income and non -interest expense

Sharia compliant income

Included in interest income and expense are sharia compliant income and expense. The Group's income as a fund manager (mudharib) consists of income and expense from Mudaraba and Hajj transactions, income from profit sharing of Sukuk and Mudaraba financing and other operating income.

Mudaraba income by deferred payment or by installment is recognised during the period of the contract based on effective method (annuity).

Profit sharing income from Mudaraba is recognised in the period when the rights arise in accordance with agreed sharing ratio, and the recognition based on projection of income is not allowed.

e. 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.

f. 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.

2.2 Summary of material accounting policies

2.2.3 Revenue recognition- continued

g. 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 Companies, operating accounts with other Companies, amount due from other Companies 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 Company, balances held with local Companies, balances with foreign Companies 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies

2.2.5 Property, plant and equipment - continued

(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

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
Farm equipment and machines (tractors and harvesters)	10 years
Farm equipment and machines (plough, harrow and sprayers)	5 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 classifes 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 safe if the criteria mentioned above are no longer met. A non-current asset that ceases to be classified as held for sale is be 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.

2.2 Summary of material accounting policies

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.

2.2 Summary of material accounting policies

2.2.8 Leases - continued

(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 Company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

(ii) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.2.9 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.

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.

2.2 Summary of material accounting policies

2.2.10 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are carried at historical cost less accumulated depreciation and impairment. The fair value and valuation inputs of the investment property are also disclosed in note 24.3 in accordance with IAS 40.

The investment properties consist of buildings which are depreciated on a straight-line basis over their useful life of 50 years.

Investment properties are derecognized either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying amount at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.2.11 Employee benefits

(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.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies

2.2.12 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.

2.2.13 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

2.2.14 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 Companys 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 Companys 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.

2.2.15 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 Summary of material accounting policies - continued

2.2.16 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).

2.2.17 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.

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).

2.2.18 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 Summary of material accounting policies - continued

2.2.19 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

2.2 Summary of material accounting policies - continued

2.2.20 Non interest banking

Brief explanation for each type of sharia financing is as follows:

Mudaraba financing is a co-operation for certain project between first party (Malik, Shahibul or mal) as owner of fund and second party (Amil, Mudharib or debtors) as fund manager whereas the profit will be shared in accordance with percentage as stated in the agreement, meanwhile losses will be borne by the Company except if the second party acts in negligence, error or violates the agreement. Mudaraba financing is reported at the outstanding financing balance less allowance for incurred losses.

Ijarah receivables are the financing on the availability of fund in relation to transferring the right to use and benefit of a good and service based on rental transaction which was not followed by transfer of the goods ownership to the lessee. Ijarah muntahiyah bittamlik is an agreement on the availability of fund in relation to transferring the use right and benefit of a good or service based on rental transaction with an option to transfer the ownership title of goods to the lessee. Ijarah receivables are recognised at due date at the amount of lease income not yet received and presented at its net realisable value, which is the outstanding balance of the receivables.

Mudaraba and Ijarah receivables are classified as debt instruments at amortised cost. Refer to Note 2.2.2 for the accounting policy on debt instruments at amortised cost.

Deposit Liabilities

Deposits liabilities on non-interest banking are classified as financial liabilities at amortised cost. Incremental costs directly attributable to acquistion of deposits on non-interest banking are included in the amount of deposits and amortised over the expected life of the deposits. Refer to Note 2.2.2(ii) for the accounting policy for financial liabilities at amortised cost above.

Included in the deposits liabilities are non interest banking deposits in form of hajj deposits, trust deposits, and Certificates Mudharabah Investment Company (SIMA). SIMA is an investment certificate issued by the Company which adopts profit sharing practice and in form of placement. SIMA financing period ranges from over one year.

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 banking 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 uncertainly 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 items.

See Note 24 for further disclosure on property, plant and equipment.

(ii) Amortisation and carrying value of intangible assets

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of intangible assets will have an impact on the carrying value of these items. See Note 25 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.

(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 39 for further disclosure on collateral value.

3 Significant accounting judgements, estimates and assumptions - continued

3.1 Estimates and Assumptions- continued

(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.

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 Company'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 Company's internal credit grading model, which assigns PDs to the individual grades
• The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Life time Expected credit losses (LTECL) basis and the qualitative assessment
• The segmentation of financial assets when their ECL is assessed on a collective basis
• Development of ECL models, including the various formulas and the choice of inputs
• Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
• Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

(vi) Fair value of financial instruments

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of techniques as described in accounting policy Note 2.2.19. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

3 Significant accounting judgements, estimates and assumptions - continued

3.1 Estimates and Assumptions- continued

(vii) Deferred tax assets

Deferred tax assets are recognised 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 Company 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 Company 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 Company '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 Company 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 seperate financial statements continue to be prepared on the going concern basis.

(i) Going Concern

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 seperate 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.

3 Significant accounting judgements, estimates and assumptions - continued

3.2 Judgments - continued

(iii) Determination of the lease term for lease contracts with renewal and termination options (Company as a lessee)

The Company 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 Company has several lease contracts that include extension and termination options. The Company 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 Company 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 Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

4 New and revised IFRS Accounting Standards

4.1 New and revised IFRS Accounting Standards in issue and effective in the current year

The following amendments and interpretations became effective in the annual period starting from 1 January, 2024. The new reporting requirements as a result of the amendments and interpretations have been considered and their impact or otherwise are presented below:

(i) Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The Group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

(ii) Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The Group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period.

4 New and revised IFRS Accounting Standards - continued

4.1 New and revised IFRS Accounting Standards in issue and effective in the current year - continued

However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

(iii) Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The Group has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

Amendments to IAS 7 & IFRS 7 – Supplier Finance Arrangements

In May 2023, the IAS Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments. The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions.

These amendments,which became on 1 January 2024 did not have significant impact on the consolidated financial statements of the Group.

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 Group:

- Amendments to IAS 21 Lack of Exchangeability
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods, except if indicated below.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

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.

4 New and revised IFRS Accounting Standards - continued

4.2 New and revised IFRS Accounting Standards issued but not yet effective - continued

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 Group anticipate that the application of these amendments may have an impact on the financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements
IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the Group anticipate that the application of these amendments may have an impact on the financial statements in future periods.

4 New and revised IFRS Accounting Standards - continued

4.2 New and revised IFRS Accounting Standards issued but not yet effective - continued

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

• it is a subsidiary (this includes an intermediate parent)

• it does not have public accountability, and

• its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

• its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for or

• it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The directors of the Group do not anticipate that IFRS 19 will be applied for purposes of the financial statements.

5 Segment Information

Segment information is presented in respect of the Group's strategic business units. The segment reporting format is based on the Operating Entities' 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, and 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:

- Corporate banking provides banking solutions to multinational companies and other financial institutions;
- Commercial banking provides banking solutions to medium-sized enterprises and commercial entities.
- Retail banking provides banking solutions to individuals, small businesses and partnerships
- The Special Purpose Vehicle is used to raise funds through the issuance of debt securities.

All transactions between business segments are conducted on an arm's length basis, internal charges and transfer pricing adjustments are reflected in the performance of each business.
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 in 2024 (2023: none).

31 December 2024 *In millions of Naira*	**Retail Banking**	**Commercial Banking**	**Institutional Banking**	**Corporate & Investment Banking**	**SPV**	**Total**
Interest and non - interest banking income	99,438	45,417	55,411	56,537	2,015	258,818
Interest and non - interest banking expense	(31,690)	(25,724)	(22,317)	(42,417)	(1,864)	(124,012)
Net interest and Non - interest margin	**67,748**	**19,693**	**33,094**	**14,120**	**151**	**134,806**
Net fees and commission income	(3,156)	2,699	553	33,832	-	33,928
Credit loss expense	(7,898)	(897)	(785)	(1,240)	36	(10,784)
Depreciation and Amortization	79,547	(22,371)	(27,022)	(35,779)	-	(5,625)
Operating Expenses	(137,153)	(606)	(416)	(2,361)	(1)	(140,537)
Segment profit/(loss)	**18,903**	**3,927**	**6,575**	**16,271**	**186**	**45,862**
Assets as at 31 December 2024						
Total Assets	**981,115**	**732,763**	**621,867**	**1,191,967**	**14,228**	**3,541,940**
Total Liabilities	**1,065,807**	**639,916**	**622,364**	**895,040**	**13,654**	**3,236,781**

31 December 2023 *In millions of Naira*	**Retail Banking**	**Commercial Banking**	**Institutional Banking**	**Corporate & Investment Banking**	**SPV**	**Total**
Interest and non - interest banking income	53,863	40,351	29,207	30,476	2,205	156,102
Interest and non - interest banking expense	(18,458)	(18,131)	(11,784)	(22,177)	(2,168)	(72,718)
Net interest and Non - interest margin	35,405	22,220	17,423	8,299	37	83,384
Net fees and commission income	3,121	1,692	825	20,468	-	26,106
Credit loss expense	(9,194)	(559)	(493)	(2,085)	(4)	(12,335)
Depreciation and Amortization	(2,391)	(804)	(690)	(929)	-	(4,814)
Operating Expenses	(36,434)	(20,892)	(19,796)	(23,236)	(5)	(100,363)
Segment profit/(loss)	**3,631**	**7,155**	**1,571**	**10,308**	**28**	**22,693**
Assets as at 31 December 2023						
Total Assets	**649,809**	**558,521**	**475,557**	**833,165**	**14,040**	**2,531,092**
Total Liabilities	**778,622**	**509,372**	**456,149**	**589,713**	**13,632**	**2,347,488**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	In millions of Naira	Group 2024	Group 2023	Company 2024	Company 2023
6	**Interest income using effective interest rate**				
	Loans and advances to customers	183,758	122,257	-	-
	Investment securities	70,439	30,950	-	-
	Cash and cash equivalents	4,621	2,895	1,120	183
		258,818	**156,102**	**1,120**	**183**

a. Modification loss of N22 million (2023: N611million loss) for Group 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.

b. The Company's interest income on cash and cash equivalents represents N1.12 billion interest income earned on its fixed deposit investment.

	In millions of Naira	Group 2024	Group 2023	Company 2024	Company 2023
7	**Interest expense using effective interest rate**				
	Deposits from customers	66,709	40,159	-	-
	Debt securities issued	5,013	10,146	-	-
	Other borrowed funds	28,058	19,865	-	-
	Deposits from banks	24,222	2,540	-	-
	Interest on lease liability	10	8	-	-
		124,012	**72,718**	**-**	**-**

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:

In millions of Naira	Group 2024	Group 2023	Company 2024	Company 2023
E-business commission and fees	8,467	8,118	-	-
Account maintenance fees	5,401	4,878	-	-
Commissions and similar income	4,615	6,662	-	-
Facility management fees	6,274	3,760	-	-
Other fees (Note 8.1)	7,087	4,307	-	-
Total revenue from contracts with customers	31,844	27,725	-	-
Other non-contract fee income:				
Commission on letter of credit transactions	12,456	7,231	-	-
Total fees and commission income	**44,300**	**34,956**	**-**	**-**
Total fees and commission expense				
Fees and commission expense	(10,372)	(8,850)	-	-
Net fees and commision income	**33,928**	**26,106**	**-**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

8.1 Other fees include 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.

	In millions of Naira	Group 2024	Group 2023	Company 2024	Company 2023
9	**Net trading income**				
	Bonds	6,662	1,727	-	-
	Treasury bills	4,140	5,312	-	-
	Foreign exchange trading	2,716	7,523	-	-
	Foreign exchange revaluation gain	2,135	6,232	-	-
		15,653	**20,794**	**-**	**-**

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 Company 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.

	In millions of Naira	Group 2024	Group 2023	Company 2024	Company 2023
10	**Other operating income/revenue**				
	Cash recoveries on previously written off accounts	497	947	-	-
	Dividend income from FVOCI equity investments	676	476	-	-
	Dividend income from subsidiaries (note 10.1)	-	-	7,567	14,319
	Rental income	295	318	-	-
	Gains on disposal of property, plant and equipment	1,272	55	1	-
	Gains on disposal of investment property	7,616	441	-	-
	Other sundry income (note 10.2)	8,065	7,684	5,356	393
		18,421	**9,921**	**12,924**	**14,712**

10.1 The Company's dividend from subsidiaries is comprised of:
- N7.56 billion relates to 2024FY dividend received from subsidiaries (Alternative Bank Limited: N4.40billion; Sterling Bank Ltd: N3.17billion).

10.2 - The Group's other sundry income includes income earned from placement of proceeds of capital raised (N4.47 billion), income on financial advisory (N546million), mudaraba commodity income (N540 million), sukuk sales Income (N1.0billion) among others.

- The Company's 2024FY sundry income comprised of N4.47billion income earned from the placement of the proceeds of N75billion capital raise and N821 million shared services income.

11 **Credit loss expense**

The table below shows the ECL charges on financial instruments for the year ended 31 December 2024 recorded in profit or loss:

	In millions of Naira	Group 2024	Group 2023	Company 2024	Company 2023
11a	**Credit loss expense (see note 11 b. below for breakdown)**				
	Loans and advances impairment:				
	Impairment on loans to corporate entities	2,619	12,279	-	-
	Impairment on loans to individuals	16,693	7,656	-	-
	Write-offs	548	368	-	-
	Reversal of allowances no longer required - corporate entities	(11,488)	(7,206)	-	-
	Reversal of allowances no longer required - individuals	(1,505)	(2,490)	-	-
		6,867	**10,607**	**-**	**-**
	Impairment charge on other assets (note 23ii)	3,937	1,610	-	-
	Impairment charge on investment securities (notes 18.3.1, 18.3.2, 21e and 21f)	139	858	-	-
	Impairment reversal on letters of credit and guarantees	(159)	(740)	-	-
		3,917	**1,728**	**-**	**-**
		10,784	**12,335**	**-**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

11b Credit loss expense

The table below shows the ECL charges on financial instruments for the year 31 December 2024 recorded in profit or loss :

				2024
Group ***In millions of Naira***	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to customers	924	(2,665)	8,608	6,867
Debt instruments measured at FVOCI	300	-	-	300
Debt instruments measured at amortised cost	(161)	-	-	(161)
Other assets	118	-	3,819	3,937
Financial guarantees	(159)	-	-	(159)
Letters of credit	-	-	-	-
Total credit loss expense	**1,022**	**(2,665)**	**12,427**	**10,784**

				2023
Group ***In millions of Naira***	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to customers	(2,742)	(561)	13,910	10,607
Debt instruments measured at FVOCI	787	-	-	787
Debt instruments measured at amortised cost	71	-	-	71
Other assets	320	-	1,290	1,610
Financial guarantees	(534)	-	-	(534)
Letters of credit	(206)	-	-	(206)
Total credit loss expense	**(2,304)**	**(561)**	**15,200**	**12,335**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	In millions of Naira	Group 2024	Group 2023	Company 2024	Company 2023
12	**Personnel expenses**				
	Wages and salaries	28,960	20,750	658	255
	Defined contribution plan	2,367	2,232	29	12
		31,327	**22,982**	**687**	**267**
13.1	**Operating expenses**				
	Contract services	11,352	9,014	-	-
	AMCON surcharge (see (a) below)	14,054	10,469	-	-
	Insurance	10,021	7,034	-	8
	Other professional fees (see (b) below)	2,777	2,062	120	424
	Administrative expenses	18,153	8,571	821	691
	Office expenses	10,395	7,501	99	36
	Communication cost	3,010	2,447	25	18
	Rents and rates	1,057	593	-	-
	Advertising and business promotion	4,364	2,385	12	4
	Other general expenses (see (c) below)	1,456	976	1	32
	Branding expenses	1,384	863	23	-
	Seminar and conferences	1,757	1,670	-	-
	Security	542	486	4	-
	Cash handling and cash processing expenses	1,669	1,510	3	-
	Transport, travel, accomodation	1,922	1,178	193	28
	Directors other expenses	1,123	569	135	20
	Annual general meeting expenses	106	340	6	98
	Stationery and printing	563	387	45	-
	Audit fees*	375	326	26	23
	Membership and subscription	315	842	14	-
	Directors fee	653	222	157	79
	Fines and penalties (see (d) below)	388	29	9	-
		87,436	**59,474**	**1,693**	**1,461**

* This relates to audit services only. Please see Note 46 for disclosure on non-audit services.

(a) AMCON sinking fund contribution

This represents the Group'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 and filing fees.

(c) Included in other general expenses are loan recovery expenses, custodial services, debt capital expenses, miscellaneous office expenses, etc.

(d) This consisted of N9 million and N379 million penalties paid to the Nigerian Exchange and the Central Bank of Nigeria (CBN), respectively. Please see Note 42 for details of CBN penalties.

	In millions of Naira	Group 2024	Group 2023	Company 2024	Company 2023
13.2	**Depreciation and amortisation**				
	Depreciation of property, plant and equipment (see note 24.1)	4,052	3,532	80	22
	Depreciation of right-of-use asset amortisation (see note 24.2)	1,033	772	-	-
	Depreciation investment property (see note 24.3)	40	63	-	-
	Amortisation of intangible assets (see note 25)	500	447	-	-
		5,625	4,814	80	22
13.3	**Other property, plant and equipment (PPE) costs**				
	Repairs and maintenance of PPE	21,774	17,907	110	29
14	**Income tax**				
a(i)	**Current income tax expense:**				
	Income tax (note 14d(i))	2,512	1,129	832	3
	Education tax (note 14d(ii))	703	216	117	-
		3,215	1,345	949	3
	Information Technology levy (note 14f)	501	244	82	5
	Nigeria Police Trust Fund levy (note 14g)	3	1	-	1
	National Agency for Science and Engineering Infrastructure levy (note 14h)	105	60	-	-
		3,824	1,650	1,031	9
	Prior period under provision	(17)	34	-	-
	Origination of temporary differences	(5,303)	(575)	44	-
	Total income tax expense	**(1,496)**	**1,109**	**1,075**	**9**
a (ii)	**Windfall levy**				
	Windfall levy - 2023FY (note 14e)	1,578	-	-	-
	Windfall levy - 2024FY (note 14e)	2,105	-	-	-
		3,683	**-**	**-**	**-**

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
(b)	**Current income tax payable**				
	The movement on this account during the year was as follows:				
	At 1 January	1,468	1,607	3	-
	Estimated charge for the year (see (14a) above)	3,215	1,345	949	3
	Prior period under/(excess) provision	(17)	34	-	-
	Payments during the year	(1,284)	(1,518)	1	-
	At 31 December	**3,382**	**1,468**	**953**	**3**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In millions of Naira		Group 2024		Group 2023		Company 2024		Company 2023
14 Income tax - continued								
(c) Reconciliation of total tax charge								
	%		%		%		%	
Profit before income tax expense	100%	45,862	100%	22,693	100%	11,474	1.00	13,116
Income payable @ statutory tax rate of 30%	30%	13,759	30%	6,808	30%	3,442	30%	3,935
Tax effect of:								
Non-deductible expenses	21%	9,587	21%	4,672	0%	43	1%	84
Tax- exempt Income	(65%)	(21,808)	(65%)	(14,747)	(27%)	(2,218)	(33%)	(4,296)
Education tax	2%	706	1%	216	1%	117	0%	-
Capital Gains Tax	0%	-	0%	-	0%	-	0%	-
Nigeria Police Trust Fund	0%	3	0%	1	0%	-	0%	1
National Agency for Science and Engineering Infrastructure Act Levy	0%	105	0%	60	0%	-	0%	-
Information Technology Levy (NITDA)	1%	501	1%	244	1%	82	0%	5
Prior preriod under/(excess) provision	0%	(17)	0%	34	0%	-	0%	-
Impact of differences in tax rates	(3%)	(1,528)	(12%)	2,694	(9%)	(990)	2%	279
Impact of deferred tax assets	(12%)	(5,304)	0%	-	-2%	(233)	0%	-
Minimum tax	5%	2,500	5%	1,127	7%	832	0%	1
Effective tax rate/ Income tax expense	(18%)	(1,496)	8%	1,109	9%	1,075	0.00	9

d(i) The Companies Income Tax Act (CITA) in Nigeria requires companies having more than N100 Million Naira turnover to pay income tax at the rate of 30% of their taxable profits. Where the company do not have a taxable profit or where the income tax on the taxable profit is lower than the prescribed minimum tax, the minimum tax shall apply. Minimum tax in Nigeria is assessed at the rate of 0.5% of the turnover. The income tax of the Company was higher than minimum tax during the year under review. The Companies Income Tax charge of the Company for the year was N832million.

d(ii) The basis of the Education Tax is 3% of assessable profit and the company's education tax for 2024FY is N117million (2023: Nil). 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 the banking entities in the Group for 2023 and 2024 financial year was N3.68 billion.

(f) The National Information Technology Development Agency Act (NITDA) 2007 stipulates that specified companies contribute 1% of their profit before tax to the National Information Technology Development Agency. The applicable levvy for bank holding company is subject to adjustment of profit before tax in arriving at the levy. Hence, the NITD levy due for the year was N82million.

(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.

(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. The Company is not covered by the provisions of the NASENI Act.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

14 Income tax

(i) Deferred tax assets and liabilities are attributable to the following:

31 December 2024	**Group**		**Company**	
In millions of Naira	**Asset**	**Liabilities**	**Asset**	**Liabilities**
Property, plant and equipment and software	-	7,774	-	44
Unutilised tax credit (capital allowance)	32,908	-	-	-
Tax loss	440	-	-	-
Provisions	-	12,556	-	-
	33,348	**20,330**	**-**	**44**

31 December 2023	**Group**		**Company**	
In millions of Naira	**Asset**	**Liabilities**	**Asset**	**Liabilities**
Property, Plant and Equipment and software	-	1,581	-	-
Unutilised tax credit (capital allowance)	9,144	-	-	-
Tax loss	363	-	-	-
Provisions	-	346	-	-
	9,507	1,927	-	-

The Company has no unutilized capital allowance or unused tax losses as at year end. However, the Company has recognized deferred tax liability of N43,568,640 (2023:Nil) arising from temporary differences associated with property, plant, and equipment.

15 Earnings per share (basic and diluted)

The calculation of basic earnings per share as at 31 December 2024 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding calculated as follows:

		Group 2024	**Group 2023**	**Company 2024**	**Company 2023**
a	Issued ordinary shares as at 31 December Unit ('millions)	45,457	28,790	45,457	28,790
	Weighted average number of ordinary shares	29,018	28,790	29,018	28,790
b	Profit for the year attributable to equity holders of the Company (in million Naira)	43,675	21,584	10,399	13,107
	Basic earnings per share (in kobo)	151k	75k	36k	46k
	Diluted earnings per share (in kobo)	151k	75k	36k	46k

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
16	**Cash and balances with Central Bank of Nigeria**				
	Cash and foreign monies	28,453	32,002	-	-
	Unrestricted balances with Central Bank of Nigeria	61,585	124,920	-	-
	Deposits with the Central Bank of Nigeria	777,087	447,677	-	-
		867,125	**604,599**	**-**	**-**

Deposits with the Central Bank of Nigeria represent mandatory reserve deposits and are not available for use in the Group's day-to-day operations. It does not form part of cash and cash equivalents in the statement of cash flows.

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
17	**Due from banks**				
	Balances held with banks outside Nigeria	557,625	233,411	-	-
	Money market placements	11,824	502	-	-
	Balances held with local banks	6	1,040	14,735	8,696
		569,455	**234,953**	**14,735**	**8,696**

Included in balances with banks outside Nigeria is the Naira equivalent of foreign currency balances held on behalf of customers in respect of letters of credit. The corresponding liabilities are included in other liabilities (see Note 31.1).

Money market placements are interbank placements for varying periods between one day to three months, depending on the immediate cash requirements of the commercial banking subsidiary and earn interest at the prevailing market rate.

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
18	**Pledged assets**				
18.1	***Debt instruments at Fair value through other comprehensive income (FVOCI)***				
	Treasury bills FVOCI (see note (a) below)	18,112	-	-	-
	Total debt instruments measured at FVOCI	**18,112**	**-**	**-**	**-**
18.2	***Pledged assets Debt instruments at amortised cost***				
	Treasury bills at amortised cost (see note (b) below)	9,326	10,430	-	-
	Government bonds at amortised cost (see note (c) below)	229	230	-	-
	Other pledged assets (see note (d) below)	1,022	628	-	-
	Sub-total	10,577	11,288	-	-
	ECL on Pledged asset at amortised cost	(14)	(16)	-	-
	Total debt instruments measured at amortised cost	**10,563**	**11,272**	**-**	**-**
	Total pledged assets	**28,675**	**11,272**	**-**	**-**

The Group's pledges assets that are on its statement of financial position relate to various day-to-day transactions that are conducted under the usual terms and conditions applying to such agreements.

a) Pledged for interbank transactions.

b) Pledged for clearing activities, as collection bank for government taxes and Interswitch electronic card transactions.

c) Pledged as security for loan facility from Bank of Industry.

d) Included in other pledged assets are cash collateral for visa card transactions. The cash collateral assets are not part of the fund used by the Group for day to day activities.

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 Group's pledged assets instruments measured at FVOCI by credit risk, based on the Group's internal credit rating system and year-end stage classification. Details of the Group's internal grading system are explained in Note 39 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 2.2.2:

				2024
Group				
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
RR1-RR2	18,112	-	-	18,112
Total	**18,112**	**-**	**-**	**18,112**

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

Group				
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Fair value as at 1 January 2024	-			-
New assets originated or purchased	18,112	-	-	18,112
Assets derecognised or matured (excluding write-offs)	-	-	-	-
At 31 December 2024	18,112	-	-	18,112

Group				
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2024	-	-	-	-
New assets originated or purchased	4	-	-	4
Assets derecognised or matured (excluding write offs)	-	-	-	-
At 31 December 2024	**4**	**-**	**-**	**4**

Group				**2023**
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
RR1-RR2	-	-	-	-
Total	**-**	**-**	**-**	**-**

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

Group				
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Fair value as at 1 January 2023	13,281	-	-	13,281
New assets originated or purchased	-	-	-	-
Assets derecognised or matured (excluding write-offs)	(13,281)	-	-	(13,281)
Change in fair value	-	-	-	-
At 31 December 2023	-	-	-	-

18.3.1 **Impairment losses on pledged assets subject to impairment assessment**

Group				
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2023	3	-	-	3
New assets originated or purchased	-	-	-	-
Assets derecognised or matured (excluding write offs)	(3)	-	-	(3)
At 31 December 2023	-	-	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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 Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 39:

Group				2024
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	10,577	-	-	10,577
Total	**10,577**	**-**	**-**	**10,577**

Group				2024
In millions of Naira	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**

Group				2024
In millions of Naira	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**

Group				2023
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	11,288	-	-	11,288
Total	**11,288**	**-**	**-**	**11,288**

Group				2023
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2023	9,834	-	-	9,834
New assets originated or purchased	10,659	-	-	10,659
Assets derecognised or matured (excluding write-offs)	(9,529)	-	-	(9,529)
Foreign exchange adjustments	324	-	-	324
At 31 December 2023	**11,288**	**-**	**-**	**11,288**

Group				2023
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	17	-	-	17
New assets purchased	16	-	-	16
Assets derecognised or matured (excluding write offs)	(17)	-	-	(17)
At 31 December 2023	**16**	**-**	**-**	**16**

	Group	Fair Value Amount		Notional Contract Amount	
	In millions of Naira	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
19	**Derivative financial assets**				
	Foreign currency swaps	**-**	**276**	**-**	**9,518**

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
20	**Loans and advances to customers**				
	Loans to corporate entities and other organizations	1,040,348	822,459	-	-
	Loans to individuals	101,096	104,007	-	-
		1,141,444	926,466	-	-
	Less:				
	Impairment allowance on loans to corporate entities	(13,748)	(18,922)	-	-
	Impairment allowance on loans to individuals	(23,726)	(11,722)	-	-
		1,103,970	**895,822**	**-**	**-**

20.1 Loans and advances to corporate customers

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 39 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 2.2.2

Group		31 December 2024			
In millions of Naira		Stage 1	Stage 2	Stage 3	Total
External rating grade					
RR1-RR2		29,143	-	-	29,143
RR3-RR4		549,101	-	-	549,101
RR5-RR6		29,014	405,304	-	434,318
RR7		-	-	9,672	9,672
RR8		-	-	2,305	2,305
RR9		-	-	15,809	15,809
Total	-	607,258	405,304	27,786	1,040,348

Group		31 December 2023			
In millions of Naira		Stage 1	Stage 2	Stage 3	Total
External rating grade					
RR1-RR2		64,373	-	-	64,373
RR3-RR4		451,117	-	-	451,117
RR5-RR6		32,573	254,640	-	287,213
RR7		-	-	16,301	16,301
RR8		-	-	214	214
RR9		-	-	3,241	3,241
Total	-	548,063	254,640	19,756	822,459

20.1 Loans and advances to corporate customers - continued

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Corporate lending is, as follows:

Group	**31 December 2024**			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 1 January 2023	548,063	254,640	19,756	822,459
New assets originated or purchased	328,816	236,449	5,828	571,093
Assets derecognised or repaid (excluding write offs)	(281,029)	(173,746)	(1,503)	(456,278)
Transfers to Stage 1	112	(29)	(83)	-
Transfers to Stage 2	(46,149)	46,149	-	-
Transfers to Stage 3	(4,404)	(755)	5,159	-
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	607,258	405,304	27,786	1,040,348
	-	-	-	-

The analysis of changes in gross carrying amount is inclusive of movement in accrued interest (interest paid and interest accrued).

Group	**31 December 2023**			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 1 January 2022	503,708	132,196	16,261	652,165
New assets originated or purchased	299,549	132,463	10,195	442,207
Assets derecognised or repaid (excluding write offs)	(308,096)	(61,160)	(11,564)	(380,820)
Transfers to Stage 1	587	(587)	-	-
Transfers to Stage 2	(4,930)	4,930	-	-
Transfers to Stage 3	(5,864)	(728)	6,592	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	(120)	-	(120)
Amounts written off	(5)	(1)	(1,728)	(1,734)
Foreign exchange adjustments	63,114	47,647	-	110,761
At 31 December	548,063	254,640	19,756	822,459

Group	**31 December 2024**			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2024	1,103	9,451	8,368	18,922
New assets originated or purchased	1,494	3,261	4,241	8,996
Assets derecognised or repaid (excluding write offs)	(169)	(8,572)	(5,154)	(13,895)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(71)	71	-	-
Transfers to Stage 3	(99)	(124)	222	(1)
Impact on year end ECL of exposures transferred between stages during the period	97	110	(42)	165
Amounts written off	(28)	-	(1,371)	(1,399)
Foreign exchange adjustments	409	551	-	960
At 31 December 2024	2,736	4,748	6,264	13,748

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

20.1 Loans and advances to corporate customers - continued

Group	31 December 2023			
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	3,484	5,580	2,112	11,176
New assets originated or purchased	954	1,286	7,270	9,510
Assets derecognised or repaid (excluding write offs)	(3,266)	(3,004)	(936)	(7,206)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(19)	19	-	-
Transfers to Stage 3	(45)	(133)	178	-
Impact on year end ECL of exposures transferred between stages during the period	-	1,359	1,410	2,769
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Amounts written off	(5)	(1)	(1,666)	(1,672)
Foreign exchange adjustments	-	4,345	-	4,345
At 31 December 2023	1,103	9,451	8,368	18,922

The contractual amount outstanding on loans that have been written off, but were still subject to enforcement activity was N5.1 billion at 31 December (2023: N4.3 billion).

20.2 Loans to Individuals

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 39 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 2.2.2

Group	31 December 2024			
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	1,838	-	-	1,838
RR3-RR4	41,879	-	-	41,879
RR5-RR6	1,377	22,208	-	23,585
RR7	-	-	8,230	8,230
RR8	-	-	13,181	13,181
RR9	-	-	12,383	12,383
Total	45,094	22,208	33,794	101,096

Group	31 December 2023			
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	2,960	-	-	2,960
RR3-RR4	59,452	-	-	59,452
RR5-RR6	3,520	10,862	-	14,382
RR7	-	-	12,179	12,179
RR8	-	-	7,975	7,975
RR9	-	-	7,059	7,059
Total	65,932	10,862	27,213	104,007

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

20.2 Loans to Individuals - continued

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to individual lending is, as follows:

Group	**31 December 2024**			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 1 January 2024	65,932	10,862	27,213	104,007
New assets originated or purchased	35,849	18,202	6,941	60,992
Assets derecognised or repaid (excluding write offs)	(49,045)	(5,195)	(5,922)	(60,162)
Transfers to Stage 1	103	(68)	(36)	(1)
Transfers to Stage 2	(3,573)	3,595	(23)	(1)
Transfers to Stage 3	(3,995)	(4,978)	8,972	(1)
Amounts written off	(297)	(210)	(3,351)	(3,858)
Foreign exchange adjustments	120	-	-	120
At 31 December	45,094	22,208	33,794	101,096
	-	-	-	-

The analysis of changes in gross carrying amount is inclusive of movement in accrued interest (interest paid and interest accrued).

Group	**31 December 2023**			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 1 January 2023	76,138	16,685	13,195	106,018
New assets originated or purchased	59,527	4,172	5,244	68,943
Assets derecognised or repaid (excluding write offs)	(59,146)	(8,089)	(744)	(67,979)
Transfers to Stage 1	416	(341)	(75)	-
Transfers to Stage 2	(5,058)	5,068	(10)	-
Transfers to Stage 3	(5,779)	(6,461)	12,240	-
Foreign exchange adjustments	78	-	-	78
At 31 December	65,932	10,862	27,213	104,007

Group	**31 December 2024**			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2024	367	421	10,934	11,722
New assets originated or purchased	1,258	3,673	10,746	15,677
Assets derecognised or repaid (excluding write offs)	(35)	(176)	(20)	(231)
Transfers to Stage 1	2	(1)	(1)	-
Transfers to Stage 2	(15)	18	(2)	1
Transfers to Stage 3	(15)	(192)	207	-
Impact on year end ECL of exposures transferred between stages during the period	(132)	(29)	26	(135)
Amounts written off	(297)	(210)	(2,803)	(3,310)
Foreign exchange adjustments	2	-	-	2
At 31 December	1,135	3,504	19,087	23,726

20.2 Loans to Individuals - continued

Group	31 December 2023			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2023	737	796	7,739	9,272
New assets originated or purchased	1,967	87	-	2,054
Assets derecognised or repaid (excluding write offs)	(1,997)	(261)	(232)	(2,490)
Transfers to Stage 1	2	(1)	(1)	-
Transfers to Stage 2	(61)	62	(1)	-
Transfers to Stage 3	(73)	(292)	365	-
Impact on year end ECL of exposures transferred between stages during the period	3	202	5,395	5,600
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Amounts written off	(244)	(172)	(2,331)	(2,747)
Foreign exchange adjustments	33	-	-	33
At 31 December	367	421	10,934	11,722

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

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
20.3	**Classification of loans and advances by rating**				
	Rating				
	RR1-RR2	30,981	67,333	-	-
	RR3-RR4	590,980	510,569	-	-
	RR5-RR6	457,903	301,595	-	-
	RR7	17,902	28,480	-	-
	RR8	15,486	8,189	-	-
	RR9	28,192	10,300	-	-
		1,141,444	926,466	-	-
20.4	**Classification of loans and advances by security**				
	Cash	286,501	210,362	-	-
	Real estate	155,779	115,686	-	-
	Stocks/shares	35,127	37,417	-	-
	Debentures	234,156	191,436	-	-
	Other securities	376,264	323,384	-	-
	Unsecured	53,617	48,181	-	-
		1,141,444	926,466	-	-

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

20 Loans and advances to customers - continued

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
20.5	**Classification of loans and advances by sector**				
	Agriculture	143,648	105,129	-	-
	Communication	31,334	22,409	-	-
	Consumer	93,462	93,199	-	-
	Education	6,094	9,350	-	-
	Finance and insurance	21,439	22,135	-	-
	Government	83,010	73,161	-	-
	Manufacturing	65,495	46,911	-	-
	Mining & quarrying	6	64	-	-
	Mortgage	2,234	2,271	-	-
	Oil and gas	367,412	292,035	-	-
	Others	134,426	117,377	-	-
	Power	30,662	30,513	-	-
	Real estate & construction	54,122	18,317	-	-
	Transportation	65,653	59,345	-	-
	Non-interest banking	42,447	34,250	-	-
		1,141,444	**926,466**	**-**	**-**
21	**Investment in securities:**				
(a)	***Financial instruments held at fair value through profit or loss (FVTPL)***				
	Treasury bills	19,994	912	-	-
	Euro bonds	3,641	165	-	-
	Bonds	3,764	946	-	-
	Promissory notes	92	89	-	-
	Total financial assets measured at FVTPL	**27,491**	**2,112**	**-**	**-**
(b)	***Debt instruments at fair value through other comprehensive income***				
	Treasury bills	240,286	107,577	-	-
	Government bonds	165,367	118,464	-	-
	Euro bonds	60,209	67,003	-	-
	Corporate bonds	18,585	22,945	-	-
	Promissory notes	1,082	215	-	-
	Total debt instruments measured at FVOCI	**485,529**	**316,204**	**-**	**-**
(c)	***Equity instruments at fair value through other comprehensive income***				
	Africa Export/Import Bank	4,598	2,353	-	-
	Nigeria Interbank Settlement System Plc	16,861	15,483	-	-
	Africa Finance Corporation	13,912	6,354	-	-
	Unified Payment System	984	657	-	-
	Investment in AGSMEIS	3,855	3,855	-	-
	Nigeria Mortgage Refinancing Corporation	412	412	-	-
	Lotus Capital Halal	-	412	-	-
	SCM Capital Halal	4,225	3,753	-	-
	Health Tracka Ltd.	502	329	-	-
	SIV Limited	1,131	804	-	-
	Binkabi Ltd	1	1	-	-
	E-Purse System Ltd	1	1	-	-
	Alt School	442	274	-	-
	Tremendoc Ltd	1,711	2,218	-	-
	Total equity instruments at FVOCI	**48,635**	**36,906**	**-**	**-**
(d)	***Debt instruments at amortised cost***				
	Government bonds	81,274	103,252	-	-
	Treasury Bills	216	2,844	-	-
	Promissory notes	-	24,916	-	-
		81,490	131,012	-	-
	Allowance for Impairment losses	(121)	(282)	-	-
	Total debt instruments measured at amortised cost	**81,369**	**130,730**	**-**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(e) **Debt instruments measured at FVOCI**

The table below shows the fair value of the Group's debt instruments measured at FVOCI by credit risk, based on the Group's internal credit rating system and year-end stage classification. Details of the Group's internal grading system are explained in Note 39 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 2.2.2:

Group	**31 December 2024**			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
RR1-RR2	485,529	-	-	485,529
RR3-RR4	-	-	-	-
RR5-RR6	-	-	-	-
Total	**485,529**	**-**	**-**	**485,529**

Group	**31 December 2023**			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
RR1-RR2	316,204	-	-	316,204
RR3-RR4	-	-	-	-
RR5-RR6	-	-	-	-
Total	**316,204**	**-**	**-**	**316,204**

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

Group	**31 December 2024**			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Fair value as at 1 January 2024	316,204	-	-	316,204
New assets originated or purchased*	375,980	-	-	375,980
Assets derecognised or matured (excluding write-offs)	(222,962)	-	-	(222,962)
Change in fair value	(9,992)	-	-	(9,992)
Foreign exchange adjustments	26,299	-	-	26,299
At 31 December 2024	**485,529**	**-**	**-**	**485,529**

*The analysis of changes in fair value is inclusive of movement in interest of N42.59 billion that has already been received in cash and accrued interest of N43.97 billion.

Group	**31 December 2023**			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Fair value as at 1 January 2023	**230,636**	**-**	**-**	**230,636**
New assets originated or purchased	**1,256,960**	**-**	**-**	**1,256,960**
Assets derecognised or matured (excluding write-offs)	**(1,211,121)**	**-**	**-**	**(1,211,121)**
Change in fair value	**4,598**	**-**	**-**	**4,598**
Foreign exchange adjustments	**35,131**	**-**	**-**	**35,131**
At 31 December 2023	**316,204**	**-**	**-**	**316,204**

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	31 December 2024			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2024	**1,301**	**-**	**-**	**1,301**
New assets purchased	**680**	**-**	**-**	**680**
Assets derecognised or matured (excluding write offs)	**(629)**	**-**	**-**	**(629)**
Changes to models and inputs used for ECL calculations	**248**	**-**	**-**	**248**
At 31 December 2024	**1,600**	**-**	**-**	**1,600**

Group	31 December 2023			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2023	511	-	-	511
New assets purchased	849	-	-	849
Assets derecognised or matured (excluding write offs)	(59)	-	-	(59)
At 31 December 2023	**1,301**	**-**	**-**	**1,301**

(f) **Debt instruments measured at amortised cost**

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 39 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 2.2.2:

Group	31 December 2024			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
RR1-RR2	81,490	-	-	81,490
Total	**81,490**	**-**	**-**	**81,490**

Group	31 December 2023			
In millions of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
RR1-RR2	131,012	-	-	131,012
Total	**131,012**	**-**	**-**	**131,012**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(f) **Debt instruments measured at amortised cost - continued**

Group	31 December 2024			
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	131,012	-	-	131,012
New assets originated or purchased*	20,421	-	-	20,421
Assets derecognised or matured (excluding write-offs)	(69,943)	-	-	(69,943)
At 31 December 2024	**81,490**	**-**	**-**	**81,490**

* The analysis of changes in gross carrying amount is inclusive of movement in interest of N12.55 billion that has already been received in cash and accrued interest income of N12.7 1billion.

Group	31 December 2023			
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2023	107,100	-	-	107,100
New assets originated or purchased	67,941	-	-	67,941
Assets derecognised or matured (excluding write-offs)	(44,029)	-	-	(44,029)
At 31 December 2023	**131,012**	**-**	**-**	**131,012**

Group	31 December 2024			
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	282	-	-	282
New assets purchased	45	-	-	45
Assets derecognised or matured (excluding write offs)	(120)	-	-	(120)
Changes to models and inputs used for ECL calculations	(86)	-	-	(86)
At 31 December 2024	**121**	**-**	**-**	**121**

Group	31 December 2023			
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	**211**	**-**	**-**	**211**
New assets purchased	**148**	**-**	**-**	**148**
Assets derecognised or matured (excluding write offs)	**(93)**	**-**	**-**	**(93)**
Changes to models and inputs used for ECL calculations	**16**	**-**	**-**	**16**
At 31 December 2023	**282**	**-**	**-**	**282**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

22 **Investment in Subsidiary**

Name of company	*Ownership/Percentage interest*	Company 31 Dec 2024 N'million	Company 31 Dec 2023 N'million
Sterling Bank Limited	100 percent	210,519	141,654
Alternative Bank Limited	100 percent	15,000	10,000
SterlingFi Wealth Management Ltd	100 percent	300	-
		225,819	151,654

Condensed Statement of profit or loss for the Year ended 31 December 2024 *In millions of Naira*	**Sterling Financial Holdings Group**	**Elimination Entries**	**The Alternative Bank**	**Sterling Bank Ltd Group**	**SterlingFI Wealth Management Ltd**	**Sterling Financial Holdings Company**
Interest income	258,818	(1,120)	20,115	238,703	-	1,120
Interest expense	(124,012)	1,120	(9,146)	(115,986)	-	-
Net interest income	134,806	-	10,969	122,717	-	1,120
Net fees and commision income	33,928	-	1,594	32,334	-	-
Net trading income	15,653	-	4,034	11,619	-	-
Other operating income	18,421	(8,453)	9,795	4,155	-	12,924
Operating income	202,808	(8,453)	26,392	170,825	-	14,044
Credit loss expense	(10,784)	-	(14)	(10,770)	-	-
Operating expenses	(146,162)	886	(15,947)	(128,531)	-	(2,570)
Profit for the year before tax	45,862	(7,567)	10,431	31,524	-	11,474
Income tax	1,496	-	(347)	2,918	-	(1,075)
Windfall tax	(3,683)	-	(7)	(3,676)	-	-
	43,675	(7,567)	10,077	30,766	-	10,399
Condensed statement of financial position						
As at 31 December 2024						
Assets:						
Cash and balances with Central Bank of Nigeria	867,125	-	63,993	803,132	-	-
Due from banks	569,455	(44,933)	29,838	569,515	300	14,735
Pledged assets	28,675	-	-	28,675	-	-
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	1,103,970	-	41,347	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	485,529	-	46,691	438,838	-	-
- Equity instruments at fair value through other comprehensive income	48,635	-	8,013	40,622	-	-
- Debt instruments at amortised cost	81,369	-	20,185	61,184	-	-
Investment in subsidiary	-	(225,819)	-	-	-	225,819
Other assets	219,964	(3,168)	52,150	165,350	-	5,632
Property, plant and equipment	56,974	-	16,865	39,873	-	236
Right of use asset	12,106	-	3,437	8,669	-	-
Investment property	4,036	-	4,036	-	-	-
Intangible assets	3,263	-	158	3,105	-	-
Deferred tax assets	33,348	-	1,478	31,870	-	-
TOTAL ASSETS	**3,541,940**	**(273,920)**	**288,191**	**3,280,947**	**300**	**246,422**
LIABILITIES & EQUITY						
Deposits from banks	49,364	-	20,433	28,931	-	-
Deposits from customers	2,518,512	(44,933)	201,450	2,361,995	-	-
Current income tax payable	3,382	-	230	2,199	-	953
Other borrowed funds	213,834	-	28,565	185,269	-	-
Debt securities issued	34,056	-	-	34,056	-	-
Other liabilities	396,727	-	12,008	384,001	-	717
Provisions	576	-	86	490	-	-
Deferred tax liabilities	20,330	-	1,557	18,729	-	44
Share capital	22,729	(24,545)	10,000	14,395	150	22,729
Share premium	108,292	(42,909)	-	42,759	150	108,292
Retained earnings	63,073	6,833	596	35458	-	19,187
Other components of equity	111,065	(94,500)	8,266	102,799	-	94,500
Other components of equity	-	(73,866)	5,000	68,866	-	-
TOTAL LIABILITIES AND EQUITY	**3,541,940**	**(273,920)**	**288,191**	**3,280,947**	**300**	**246,422**

22 Investment in Subsidiary - Continued

Condensed statement of cash flows Year ended 31 December 2024	Sterling Financial Holdings Group	Elimination Entries	Alternative Bank	Sterling Bank Ltd Group	SterlingFI Wealth Management Ltd	Sterling Financial Holdings Company
In millions of Naira						
Net cash flows from/(used in)operating activities	177,903	32,005	(12,394)	159,503	-	(1,211)
Net cash flows (used in)/from in investing activities	(112,891)	82,287	(39,773)	(88,788)	-	(66,617)
Net cash flows used in financing activities	(12,916)	(105,587)	27,485	(8,981)	300	73,867
Net increase in cash and cash equivalents	52,096	8,705	(24,682)	61,734	300	6,039
Exchange rate movements on cash and cash equivalents	215,522	-	358	215,164	-	-
Cash and cash equivalents, beginning of the year	391,875	(56,698)	60,034	379,843	-	8,696
Cash and cash equivalents, end of the year	659,493	(47,993)	35,710	656,741	300	14,735

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
23	**Other assets**				
	Financial assets				
	Accounts receivable (see note (i))	163,470	227,639	3,167	411
		163,470	227,639	3,167	411
	Non-financial assets				
	Prepayments and other debit balances	26,835	5,566	2,465	-
	Prepaid staff cost	2,596	1,412	-	-
	Commodity mudaraba stocks	29,600	10,547	-	-
	Musharaka Stock	4,151	1,404	-	-
	Stock of cheque books and administrative stationeries	2,877	1,239	-	-
	Gross other assets	229,529	247,807	5,632	411
	Allowance for impairment on other assets (see note (ii) below)	(9,565)	(5,697)	-	-
		219,964	**242,110**	**5,632**	**411**

i. Included in accounts receivable are:

a. Receivables from Cambridge Springs Investment Limited, Parthian Capitals and SAMTL Properties in respect of loans sold to the companies.

b. Forex deliverables due from CBN for the Group's customers, among others.

c. The Company's N3.2 billion receivables represents N3.2 billion dividend receivable from Sterling Bank Limited.

ii.

In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
Movement of allowance for impairment on other assets				
Balance, at 1 January	5,697	4,507	-	-
Charge on other assets (note 11)	3,937	1,610	-	-
Write offs	(69)	(420)	-	-
Balance, at 31 December	9,565	5,697	-	-

24.1 **Property, plant and equipment**

Group

The movement during the year was as follows:

	31 December 2024 *In millions of Naira*	**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	3,380	9,447	8,835	5,603	15,151	48,943
	Additions	-	49	1,041	4,662	6,520	1,501	15,917	29,690
	Reclassifications	88	288	752	1,024	4,471	85	(6,708)	-
	Disposals	(110)	(16)	(17)	(76)	(22)	(1,244)	-	(1,485)
	Written off	-	(13)	(272)	(1,140)	(181)	-	-	(1,606)
	As at 31 December 2024	1,968	4,845	4,884	13,917	19,623	5,945	24,360	75,542
(b)	**Accumulated depreciation and impairment**								
	As at 1 January 2024	242	833	1,558	4,130	6,749	3,444	-	16,956
	Charge for the year	-	94	347	1,215	1,467	929	-	4,052
	Written off	-	(13)	(272)	(1,113)	(177)	-	-	(1,575)
	Disposals	(6)	(2)	(11)	(63)	(20)	(763)	-	(865)
	As at 31 December 2024	236	912	1,622	4,169	8,019	3,610	-	18,568
	Net book value								
	As at 31 December 2024	**1,732**	**3,933**	**3,262**	**9,748**	**11,604**	**2,335**	**24,360**	**56,974**
	As at 31 December 2023	**1,748**	**3,704**	**1,822**	**5,317**	**2,086**	**2,159**	**15,151**	**31,987**

i) Included in furniture, fittings and equipment are:
- farm mechanized equipment from the non-interest banking subsidiary (Alternative Bank). The net book value of the farm mechanized equipment stood at N1.89 billion as at December 2024 (2023: N1.90 billion).
- Renewable (solar related) assets with net book value of N3.66 billion as at December 2024 (2023: N20 miliion).

ii) No item of property,plant and equipment was pledged as security.

Company

The movement during the year was as follows:

	31 December 2024 *In millions of Naira*	**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	317	-	318
	Additions	-	-	-	5	19	20	30	74
	Reclassifications	-	-	-	-	-	-	-	-
	Disposals	-	-	-	-	-	(70)	-	(70)
	Written off	-	-	-	-	-	-	-	-
	As at 31 December 2024	-	-	-	5	20	267	30	322
(b)	**Accumulated depreciation and impairment**								
	As at 1 January 2024	-	-	-	-	-	22	-	22
	Charge for the year	-	-	-	-	1	79	-	80
	Written off	-	-	-	-	-	-	-	-
	Disposals	-	-	-	-	-	(16)	-	(16)
	As at 31 December 2024	-	-	-	-	1	85	-	86
	Net book value								
	As at 31 December 2024	**-**	**-**	**-**	**5**	**19**	**182**	**30**	**236**
	As at 31 December 2023	**-**	**-**	**-**	**-**	**1**	**295**	**-**	**296**

24.1 **Property, plant and equipment**

Group

The movement on these accounts during the year was as follows:

	31 December 2023 *In millions of Naira*	**Leasehold Land**	**Leasehold Building**	**Leasehold improvement**	**Furniture, fittings and equipment**	**Computer equipment**	**Motor vehicles**	**Capital work-in-progress**	**Total**
(a)	**Cost**								
	As at 1 January 2023	1,990	4,235	4,320	10,745	14,481	5,855	4,571	46,197
	Additions	-	256	408	3,463	562	1,531	11,506	17,726
	Reclassifications	-	68	340	210	292	16	(926)	-
	Disposals	-	-	-	(103)	(3)	(1,017)	-	(1,123)
	Written off	-	(22)	(1,688)	(4,868)	(6,497)	(782)	-	(13,857)
	As at 31 December 2023	1,990	4,537	3,380	9,447	8,835	5,603	15,151	48,943
(b)	**Accumulated depreciation and impairment**								
	As at 1 January 2023	242	753	2,944	8,095	11,870	4,380	-	28,284
	Charge for the year	-	87	298	1,003	1,375	769	-	3,532
	Disposals	-	(7)	(1,684)	(4,865)	(6,494)	(782)	-	(13,832)
	Written off	-	-	-	(103)	(2)	(923)	-	(1,028)
	As at 31 December 2023	242	833	1,558	4,130	6,749	3,444	-	16,956
	Net book value								
	As at 31 December 2023	**1,748**	**3,704**	**1,822**	**5,317**	**2,086**	**2,159**	**15,151**	**31,987**
	As at 31 December 2022	**1,748**	**3,482**	**1,376**	**2,650**	**2,611**	**1,475**	**4,571**	**17,913**

Company

The movement during the year was as follows:

	31 December 2023 *In millions of Naira*	**Leasehold Land**	**Leasehold Building**	**Leasehold Improvement**	**Furniture, fittings and equipment**	**Computer equipment**	**Motor vehicles**	**Capital work-in-progress**	**Total**
(a)	**Cost**								
	As at 1 January 2023	-	-	-	-	-	-	-	-
	Additions	-	-	-	-	1	317	-	318
	Reclassifications	-	-	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-	-	-
	Written off	-	-	-	-	-	-	-	-
	As at 31 December 2023	-	-	-	-	1	317	-	318
(b)	**Accumulated depreciation and impairment**								
	As at 1 January 2023	-	-	-	-	-	-	-	-
	Charge for the year	-	-	-	-	-	22	-	22
	Written off	-	-	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-	-	-
	As at 31 December 2023	-	-	-	-	-	22	-	22
	Net book value								
	As at 31 December 2023	**-**	**-**	**-**	**-**	**1**	**295**	**-**	**296**

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
24.2	**Right-of-use asset**				
	Building				
(a)					
	At 1 January	9,103	8,342	-	-
	Additions during the year	4,047	1,673	-	-
	Reversal*	(11)	(140)	-	-
	Depreciation charge	(1,033)	(772)	-	-
	At 31 December	**12,106**	**9,103**	**-**	**-**

** This relates to right-of-use assets that were derecognised during the year either due to discontinuation of lease agreement or outright purchase of the property by the Group.*

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
24.3	**Investment property**				
(a)	**Cost**				
	At 1 January	5,087	5,822	-	-
	Additions	258	-	-	-
	Disposal	(1,080)	(735)	-	-
	At 31 December	4,265	5,087	-	-
(b)	**Accumulated depreciation and impairment**				
	At 1 January	297	238	-	-
	Depreciation	40	63	-	-
	Disposal	(108)	(4)	-	-
	At 31 December	229	297	-	-
	Net Book Value	**4,036**	**4,790**	**-**	**-**

Fair value of investment property	Level 1	Level 2	Level 3
	-	-	**6,864**

The fair value of the Group's investment property at 31 December 2024 was determined by independent, appropriately qualified external valuer - Oladapo Olaiya (FRC/2013/NIESV/00000004238) of Dapo Olaiya Consulting (FRC/2013/0000000000569). The entity maintains a valuation policy of three years (3 year) life in its investment properties assets in line with the policy of the bank. The total valuation amount stood at N4 billion.

The method of valuation adopted is the sales comparism and investment method.

The investment property is driven by the Non-interest banking subsidiary of the Group in line with the provisions of IAS 40 and the Central Bank of Nigeria guidelines.

In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
Rental income from investment property	116	159	-	-
Direct operating expenses	(40)	(63)	-	-
	76	96	-	-

		Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
25	**Intangible assets**				
(a)	**Cost**				
	At 1 January	5,453	5,853	-	-
	Additions	3,042	218	-	-
	Write off	(3,744)	(618)	-	-
	Balance end of year	4,751	5,453	-	-
(b)	**Accumulated amortisation and impairment**				
	Beginning of year	4,732	4,903	-	-
	Amortisation for the year	500	447	-	-
	Write off	(3,744)	(618)	-	-
	Balance end of year	1,488	4,732	-	-
	Net book value				
	Balance as at 31 December	**3,263**	**721**	**-**	**-**

		Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
26	**Non-current assets held for sale**				
	At 1 January	-	3,027	-	-
	Additions	-	-	-	-
	Reclassification	-	-	-	-
	Disposal	-	(3,027)	-	-
	Write-off	-	-	-	-
	At 31 December	**-**	**-**	**-**	**-**

Non-financial assets acquired in exchange for loans as part of an orderly realization are recorded as assets held for sale, as the carrying amounts of the assets are recovered principally through sale; the assets are available for sale in their present condition; and their sale is highly probable. The asset acquired is recorded at the lower of its fair value less costs to sell and the carrying amount of the loan (net of impairment allowance) at the date of exchange. No depreciation is charged in respect of assets held for sale. Any subsequent write-down of the acquired asset to fair value less costs to sell is recognized in profit or loss, in 'Other operating expenses'. Any subsequent increase in the fair value less costs to sell, to the extent this does not exceed the cumulative write-down, is also recognized in 'Other operating income', together with any realized gains or losses on disposal. Assets that no longer meet the definition of non-current assets held for sale are reclassified to other assets.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
27	**Deposits from banks**				
	Money market takings	16,512	-	-	-
	Due to local banks	32,852	-	-	-
		49,364	-	-	-
28	**Deposits from customers**				
	Current accounts	1,494,999	1,042,459	-	-
	Savings accounts	397,863	337,247	-	-
	Term deposits	573,593	383,641	-	-
	Pledged deposits	52,057	79,468	-	-
		2,518,512	**1,842,815**	**-**	**-**

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

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
29	**Other borrowed funds**				
	Due to CBN-Agric-Fund (see (29(i))	32,336	28,654	-	-
	Due to Africa Agric and Trade Investment Fund (see (29(ii))	19,323	14,230	-	-
	Due to CBN-State ECA secured loans (see (29 (iii))	11,679	12,162	-	-
	Due to Blue Orchard (see (29(iv))	20,410	18,585	-	-
	Due to ECOWAS Bank for Investment and Development (see (29(v))	48,474	38,350	-	-
	Due to Islamic Corporation (see (29(vi))	28,527	25,315	-	-
	Due To Nigeria Mortgage Refinance Company (see (29(vii))	1,059	1,441	-	-
	Due to CBN - ABP (see (29(viii))	-	29,463	-	-
	Due to Master Card Foundation (MCF) (see (29(ix))	33,891	20,825	-	-
	Due to CBN - RSSF Fund (see (29 (x))	2,753	2,250	-	-
	Due to CBN - NESF Fund (see(29 (xi))	1,011	1,455	-	-
	Due to BOI (see (29 (xii))	1,647	706	-	-
	Due to Development Bank of Nigeria (see (29 (xiii))	-	15,249	-	-
	Due to Development Bank of Nigeria (see (29 (xiv))	12,724	-	-	-
		213,834	**208,685**	**-**	**-**
	Movement on other borrowed funds:				
	At 1 January	208,685	133,270	-	-
	Additions during the year	25,800	61,615	-	-
	Repayments during the year	(73,317)	(48,926)	-	-
	Accrued interest	28,058	19,865	-	-
	Interest paid	(34,314)	(18,719)	-	-
	Foreign exchange difference	58,922	61,580	-	-
	At 31 December	**213,834**	**208,685**	**-**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

29 Other borrowed funds - continued

29(i) Due to CBN-Agric Fund

Central Bank of Nigeria (CBN) in collaboration with the Federal Government of Nigeria (FGN) represented by the Federal Ministry of Agriculture and Water Resources (FMA & WR) established a Commercial Agricultural Credit Scheme, (CACS) to promote commercial agricultural enterprise in Nigeria. The Group's subsidiary - Sterling Bank Ltd obtained the loan on behalf of the customer at 2% to lend to the customer at 9% inclusive of management and processing fee. Repayment proceeds from CACS projects are repatriated to CBN on quarterly basis, all loans under the agriculture scheme is expected to terminate on September 30, 2025.

29(ii) Africa Agriculture and Trade Investment Fund

This represents the outstanding balance on the $15 million credit facility granted to Sterling Bank by Africa Agriculture and Trade Investment Fund payable in 6 years in 11 installments commencing September 2023. Interest is payable quarterly at the rate of 7.75%. The facility will mature in March 2029.

29(iii) Due to CBN-State ECA secured loans

This is a facility granted as a result of the decision made during the June 2015 National Economic Council (NEC) meeting for deposit money banks to extend concessionary loans to state governments using the balance in the Excess Crude Account (ECA) as collateral. Osun and Kwara State Governments indicated their willingnesss 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.

29(iv) Due to Blue Orchard

This represents Naira equivalent of $25.5 million multi-credit on-lending facility from BlueOrchard Finance Ltd granted in March 2022. The purpose of the facility is to support and expand the Sterling Bank’s financial intervention in the HEART (Health, Education, Agriculture, Renewable Energy and Transportation) sectors and MSMEs. The loan is for a period of 5 years and is priced at 6 months SOFR plus a margin of 545 basis points.

29(v) Due to ECOWAS Bank for Investment and Development

This represents Naira equivalent of $50 million on-lending facility from ECOWAS Bank for Investment and Development granted in December 2022. The purpose of the facility is to support lending to Corporate and SMEs within the Sterling Bank's focus HEART (Health, Education, Agriculture, Renewable Energy and Transportation) sectors. The loan is for a period of 5 years and attracts 7% interest rate.

29(vi) Due to Islamic Corporation

This represents Naira equivalent of $25 million amortising Murabaha financing facilities granted in June 2021 by Islamic Corporation for the development of the private sector expiring in June 2026. The facility is at a margin of 6.21%.

29(vii) Due to Nigeria Mortgage Refinance Company Plc.

This represents a loan agreement between the banking subsidiaries and Nigeria Mortgage Refinance Company Plc (NMRC) for NMRC to refinance from time to time Mortgage Loans originated by Sterling 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.

29 Other borrowed funds - continued

29(viii) Due to Central Bank of Nigeria - Anchor Borrower's Programme (ABP)

Anchor Borrowers Programme (ABP) is an initiative of the Central Bank of Nigeria and was launched by President Muhammadu Buhari in November 2015 in Kebbi State. CBN earmarked N40billion out of N220billion Micro, Small and Medium Enterprises Development Fund (MSMEDF) to be given to farmers in cooperative at a single rate of 9%, and the amount is dependent on the economics of production of each commodity. It is aimed at creating an ecosystem to link small holder farmers (borrowers) and processors (anchor) in the agricultural value chain to achieve job creation, increase domestic production of agricultural commodities/raw materials, improve farmers income and reduce import duty. The facilities have been fully repaid in 2024.

29(ix) Due to Master Card Foundation (MCF)

This represents Naira equivalent of $15.5 million from Master Card Foundation (MCF). It is a blended lending programme (MCF 65%, Sterling 35%) to MSMEs to help them withstand and respond to short term impacts of the COVID-19 pandemic, while strengthening resilience in the Agricultural sector. The agreed period for the scheme is 24 months in the first instance but with renewal option/fund utilization for charitable projects by MCF. The facility attracts a margin of 9%.

In October 2021, Sterling Bank received additional disbursement of $6.4 million from Master Card Foundation (MCF). The agreed period for the scheme is 48 months which is expected to terminate in September 2025.

29(x) 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 interest rate of 9% per annum.

29(xi) 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.

29(xii) 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 of 2% and monitoring fee of 0.125% payable on quarterly basis. The tenor of the facilities range between 5 years to 7 years.

29(xiii) Due to Development Bank of Nigeria (DBN).

This represents the carrying amount of the N15 billion facility from DBN granted in November 2023. The purpose of the facility is to support qualifying micro, small and medium enterprises. The loan is for a period of 6 months at an interest rate of 11% per annum. The facility matured in May 2024 and was fully repaid.

29(xiv) 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.

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
30	**Debt securities issued**				
	16.25% Debt securities carried at amortised cost (See (i) below)	**34,056**	**33,959**	-	-
	Movements in debt securities issued				
	At 1 January	33,959	42,388	-	-
	Repayment	-	(7,965)	-	-
	Accrued interest	5,013	6,116	-	-
	Interest paid	(4,916)	(6,580)	-	-
	At 31 December	**34,056**	**33,959**	**-**	**-**

i This represents a N32.899 billion 7-year 16.25% subordinated unsecured non-convertible debenture stock issued by the Sterling Investment Management SPV Plc - a wholly owned subsidiary of Sterling Bank Ltd, 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.

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
31.1	**Other liabilities**				
	Other credit balances (see 31.1.1)	67,995	54,763	568	587
	Customers' deposits for foreign trade	266,750	135,060	-	-
	Deposit for additional tier 1 capital	-	47,590	-	-
	Lease liability (see 31.1.2)	1,800	134	-	-
	Certified cheques	2,199	1,731	-	-
	Creditors and accruals	53,665	18,295	66	19
	Windfall levy	3,683	-	-	-
	Information technology levy	527	271	83	5
	Police trust fund levy	3	1	-	1
	National Agency for Science and Engineering Infrastructure levy	105	65	-	-
	Total Other Liabilities	**396,727**	**257,910**	**717**	**612**

31.1.1 Other credit balances includes mostly bond proceed collection, e-payment till and long outstanding draft. It also includes upfront fees on financial guarantee contract such as Advance Payment Guarantee and Bid bond, etc. The upfront fees are amortised using the maturity date of the contracts.

31.1.2

In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
Lease liability				
As at 1 January	134	295	-	-
Additions	1,456	17	-	-
Lease expense	249	-	-	-
Interest on lease liability*	10	8	-	-
Reversal**	(13)	(178)	-	-
Payments	(36)	(8)	-	-
As at 31 December	**1,800**	**134**	**-**	**-**

Interest on lease liability is included in interest expense using effective interest rate (note 7).

*** This relates to lease liabilities that were derecognised during the year either due to discontinuation of lease agreement or outright purchase of the properties by the Group.*

Maturity analysis of lease liability -2024 *In millions of Naira*	Less than 3 months	3-12 months	1 - 5 years	Total
	226	**1,588**	**103**	**1,917**

Maturity analysis of lease liability - 2023 *In millions of Naira*	Less than 3 months	3-12 months	1 - 5 years	Total
	90	**43**	**12**	**145**

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
31.2	**Provisions**				
	Provisions for litigations and claims*	198	186	-	-
	Provision for guarantees and letters of credit	378	538	-	-
		576	**724**	**-**	**-**
	At 1 January	724	1,489	-	-
	Reversal of provision	(148)	(765)	-	-
	At 31 December	**576**	**724**	**-**	**-**

* Provision for litigations: This is provision for litigations and claims against the Group as at 31 December 2024. 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 this provision is adequate for liability that have crystalized from these claims. There is no expected reimbursement in respect of this provision.

	In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
32.1	**Share capital and equity reserves**				
	Share capital				
(a)	**Authorised:** 45,457,084,791 (2023: 28,790,418,126) Ordinary shares of 50k each	**22,729**	**14,395**	**22,729**	**14,395**
(b)	**Issued and fully-paid:** 45.46 billion (2023: 28.79 billion) Ordinary shares of 50k each	**22,729**	**14,395**	**22,729**	**14,395**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(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 Company. All ordinary shares rank pari-passu with the same rights and benefits at meetings of the Company.

	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
(ii) Movement in issued and fully paid share capital in million naira				
At 1 January	14,395	14,395	14,395	14,395
Addition	8,334	-	8,334	-
At 31 December	22,729	14,395	22,729	14,395
Movement in nominal share capital in units				
At 1 January	28,790	28,790	28,790	28,790
Addition	16,667	-	16,667	-
At 31 December	45,457	28,790	45,457	28,790
(iii) Movement in share premium in million naira				
At 1 January	42,759	42,759	42,759	42,759
Addition	65,533	-	65,533	-
At 31 December	108,292	42,759	108,292	42,759

In 2024, the bank issued 16,666,666,667 units of shares by way of Private Placement at a price of N4.50. The Private Placement was approved by the Central Bank of Nigeria and the Securities & Exchange Commission on 23 December 2024 and 27 December 2024, respectively.

33.1 Dividends

In respect of 2024, the Directors proposed that a dividend of 18kobo (2023: Nil) for every 50kobo share will be paid to shareholders. This dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in this financial statements until approved and declared by the shareholders. The proposed dividend is subject to withholding tax at the appropriate rate and is payable to shareholders whose names appear in the Register of Members at closure date.

34 Other components of equity

a. Statutory reserve

Nigerian banking regulations require the Group's banking subsidiaries to make an annual appropriation to a statutory reserve. As stipulated by Section 15(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

b. Share capital reserve

The share capital reserve resulted from the shares reconstruction carried out by Sterling 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-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.

d. Regulatory risk reserve

For banking subsidiaries, 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 PPPRA reserve

This reserve pertaining to Sterling Bank Ltd was created to track the regulatory treatment of the Central Bank of Nigeria (CBN) directive on the amortisation of the accrued interest on PPPRA facilities over a 5-year period (2019 to 2023). The balance in this reserve represents unamortised portion of the accrued interest which will be transferred to retained earnings over the amortisation period. The balance was fully amortised in December 2023.

g Re-organisation Reserve

This represents the difference between the carrying value of shares of erstwhile Sterling Bank Plc (N151.5biliion) as at date of re-organization and the cost of shares (share capital and share premium) exchanged (N57.13 billion).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

35 Commitments and Contingencies

a. Litigations and claims

There are 92 (2023: 92) litigations and claims against the Group as at 31 December 2024. The total amount claimed against the Group is N44.5billion (2023: N45.2billion). These claims arose in the normal course of business and are being contested by the Group. The Directors, having sought advice of professional counsels, are of the opinion that no significant liability will crystalise from these claims. Provisions of N198 million at 31 December 2024 (2023: N186 million) have been made in these financial statements on crystalised claims, refer to note 31.2.

We confirm that information regarding our litigation was shared with the external auditors during the audit exercise. The auditors, in turn, independently circularized our lawyers to validate the status of the portfolio. We believe this confirms the status of our disputes.

As of the date of this letter, we have not received any notice of breach of covenants or knowingly or willfully breached covenants in our contracts with third parties.

35 (b) Contingent liabilities and commitments

The Group conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise performance bonds, acceptances, guarantees and letters of credit.

Nature of instruments:

To meet the financial needs of customers, the Group 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 identiified any factor to suggest the probability that the risk will crystallise.

Letters of credit and guarantees commit the Group 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:

In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
Bonds, guarantees and indemnities	189,996	168,437	-	-
Letters of credit	96,119	180,777	-	-
Performance bonds	66,434	56,428	-	-
	352,549	405,642	-	-

Above balances represent contingent liabilities for which the customers have not defaulted. As stated in note 2.2.12, any portion that is due for which the Group has become liable are recognised in Other Liabilities (Note 31).

Impairment losses on guarantees and other commitments

An analysis of changes in the gross carrying amount and the corresponding allowance for impairment losses in relation to guarantees and other commitments is, as follows:

35 (b) Contingent liabilities and commitments - continued

(i) **Financial guarantees**

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification.

31 December 2024 Group

In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	189,996	-	-	189,996
RR3-RR4	-	-	-	-
RR5-RR6	-	-	-	-
RR7	-	-	-	-
Total	**189,996**	**-**	**-**	**189,996**

31 December 2023 Group

In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	168,437	-	-	168,437
RR3-RR4	-	-	-	-
RR5-RR6	-	-	-	-
Total	**168,437**	**-**	**-**	**168,437**

An analysis of changes in the outstanding exposures and the corresponding ECLs are, as follows:

In millions of Naira Group	Stage 1	Stage 2	Stage 3	Total
Outstanding exposure as at 1 January 2024	168,437	-	-	168,437
New exposures	128,259	-	-	128,259
Exposure derecognised or matured/lapsed (excluding write offs)	(113,249)	-	-	(113,249)
Foreign exchange adjustments	6,549	-	-	6,549
At 31 December 2024	**189,996**	**-**	**-**	**189,996**

In millions of Naira Group	Stage 1	Stage 2	Stage 3	Total
Outstanding exposure as at 1 January 2023	116,156	-	-	116,156
New exposures	109,904	-	-	109,904
Exposure derecognised or matured/lapsed (excluding write offs)	(58,445)	-	-	(58,445)
Foreign exchange adjustments	822	-	-	822
At 31 December 2023	**168,437**	**-**	**-**	**168,437**

In millions of Naira Group	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	537	-	-	537
New exposures	147	-	-	147
Exposure derecognised or matured (excluding write offs)	(306)	-	-	(306)
At 31 December 2024	**378**	-	-	**378**

In millions of Naira Group	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	1,071	-	-	1,071
New exposures	30	-	-	30
Exposure derecognised or matured (excluding write offs)	(564)	-	-	(564)
At 31 December 2023	**537**	-	-	**537**

35 (b) Contingent liabilities and commitments - continued

(ii) **Letters of credit**

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification.

In millions of Naira Group	Stage 1	Stage 2	Stage 3	*2024* Total
Internal rating grade				
RR1-RR2	96,119	-	-	96,119
RR3-RR4	-	-	-	-
Total	**96,119**	**-**	**-**	**96,119**

In millions of Naira Group	Stage 1	Stage 2	Stage 3	*2023* Total
Internal rating grade				
RR1-RR2	180,777	-	-	180,777
RR3-RR4	-	-	-	-
Total	**180,777**	**-**	**-**	**180,777**

An analysis of changes in the outstanding exposures and the corresponding ECLs are, as follows:

In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Outstanding exposure as at 1 January 2024	180,777	-	-	180,777
New exposures	-	-	-	-
Exposure derecognised or matured/lapsed (excluding write offs)	(138,093)	-	-	(138,093)
Foreign exchange adjustments	53,435			53,435
At 31 December 2024	**96,119**	**-**	**-**	**96,119**

In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Outstanding exposure as at 1 January 2023	113,786	-	-	113,786
New exposures	86,103	-	-	86,103
Exposure derecognised or matured/lapsed (excluding write offs)	(151,245)	-	-	(151,245)
Foreign exchange adjustments	132,133	-	-	132,133
At 31 December 2023	**180,777**	**-**	**-**	**180,777**

In millions of Naira	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	1	-	-	1
New exposures	-	-	-	-
Exposure derecognised or matured (excluding write offs)	(1)	-	-	(1)
Foreign exchange adjustments	-	-	-	-
At 31 December 2024	-	-	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(ii) **Letters of credit - continued**

In millions of Naira	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	119	-	-	119
New exposures	1	-	-	1
Exposure derecognised or matured (excluding write offs)	(119)	-	-	(119)
At 31 December 2023	**1**	-	-	**1**

36 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes directors and key management personnel among others.

	In millions of Naira	Group 2024	Group 2023	Company 2024	Company 2023
(i)	**Transactions with the related parties**			-	
	Loans and advances				
a.	Secured loans and advances (see 36b)	856	587	-	-
b.	Contingent liabilities (see 36b)	70	1,370	-	-
c.	Transactions and balances with Subsidiary Sterling Bank Limited				
	Other assets (Account receivable)	-	-	-	359
	Due from banks	-	-	14,735	8,696
	Other liabilities (Account payable)	-	-	508	13
	Interest income	-	-	1,120	183
	Dividend income from subsidiaries	-	-	7,567	14,319
	Other sundry income	-	-	889	343
d.	Transactions and balances with Subsidiary Alternative Bank Limited				
	Other assets (Account receivable)	-	-	20,205	52
	Other sundry income	-	-	889	50

(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:

In millions of Naira	Group 2024	Group 2023	Company 2024	Company 2023
Secured loans and advances	451	374	-	-
Deposit liabilities (related parties and key management personnel)	37,649	27,756	-	-

36 Related party transactions - continued

(iii) **Compensation of key management personnel**:

The amounts disclosed in the table below are the amounts recognised as an expense during the year related to key executive directors.

In millions of Naira	Group 2024	Group 2023	Company 2024	Company 2023
Short-term benefits (wages and salaries)	154	154	77	77
Post-employment benefits (pension contributions)	14	14	7	7
Termination benefits	-	189	-	-
	168	357	84	84

(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 Group.

In millions of Naira	Group 2024	Group 2023	Company 2024	Company 2023
Directors' remuneration				
Fees as directors	653	308	157	79
Other emoluments	206	145	34	15
	859	**453**	**191**	**94**

(v) **Terms and conditions of transactions with related parties**

The above-mentioned outstanding balances arose from the ordinary course of business. The interest rates charged to and by related parties are at normal commercial rates. Outstanding balances at the year-end are secured. For the year ended 31 December 2024, the related parties facilities are performing and the Group has not made any provision for impairment on the facilities. (2023: Nil).

36b Insider Related Credits

Insider Related Credits are disclosed below in accordance to Central Bank of Nigeria Circular BSD/1/2004

The Group granted various credit facilities meeting the definition of insider-related credits at rates and terms comparable to other facilities in the Group's portfolio. An aggregate of N833 million (2023: N587 million) relating to the Directors and some employees were outstanding on these facilities at the end of the period/year.

31 December 2024

NAME OF BORROWERS	RELATIONSHIP TO REPORTING INSTITUTION	NAME OF THE RELATED INTEREST	DATE GRANTED	EXPIRY DATE	FACILITY LIMIT (N'million)	OUTSTANDING CREDIT (N'million)	STATUS	PERFECTED SECURITY/NATURE	FACILITY TYPE
Globalmix Capital Ltd.	Related to An ex-Director	Asue Ighodalo	30-Aug-24	27-Jun-26	683	683	Performing	Legal Mortgage	Term Loan
Michael Onochie Ajukwu	Independent Director, Sterling Bank Ltd	Michael Onochie Ajukwu	7-May-24	31-May-29	62	19	Performing	Otherwise Secured	Credit Card
Commercial Staff Loans of AGMs a	Employees	Employees	NA	NA	213	154	Performing	Lien on entitlements/indemnity	Term Loan/Other Loans/Overdraft
TOTAL					**958**	**856**			

Letter of credit and bond guarantees.

31 December 2024

NAME OF BORROWERS	RELATIONSHIP TO REPORTING INSTITUTION	NAME OF THE RELATED INTEREST	DATE GRANTED	EXPIRY DATE	FACILITY LIMIT (N'million)	OUTSTANDING CREDIT (N'million)	STATUS	PERFECTED SECURITY/NATURE	FACILITY TYPE
Rite Foods Limited	Related to a Director	Tairat Tijani	18-Nov-24	17-Nov-25	70	70	Performing	Otherwise secured	Bank Guarantee
TOTAL - CONTINGENT (Letters of credit and bond guarantees)					**70**	**70**			

36b Insider Related Credits - Continued

31 December 2023

NAME OF BORROWERS	RELATIONSHIP TO REPORTING INSTITUTION	NAME OF THE RELATED INTEREST	DATE GRANTED	EXPIRY DATE	FACILITY LIMIT (N'million)	OUTSTANDING CREDIT (N'million)	STATUS	PERFECTED SECURITY/NATURE	FACILITY TYPE
Globalmix Capital Ltd.	Related to a Director	Asue Ighodalo	27-May-22	25-Feb-24	520	540	Performing	Secured Against Real Estate	Term Loan
Do Ii Designs Limited	Related to a Director	Asue Ighodalo	30-Mar-22	30-Mar-25	17	9	Performing	Cash	Term Loan
Do Ii Designs Limited	Related to a Director	Asue Ighodalo	13-Jan-22	13-Jan-25	17	4	Performing	Cash	Term Loan
Hauwa Mustapha Otaru	Wife to Staff	Mustapha Otaru	18-Apr-23	18-Apr-25	1	1	Performing	Otherwise Secured	Term Loan
Commercial Staff Loan	Employees	Employees	NA	NA	87	33	Performing	Lien on entitlements/indemnity	Other Loans
	TOTAL				**642**	**587**			

Letter of credit and guarantees

31 December 2023

NAME OF BORROWERS	RELATIONSHIP TO REPORTING INSTITUTION	NAME OF THE RELATED INTEREST	DATE GRANTED	EXPIRY DATE	FACILITY LIMIT (N'million)	OUTSTANDING CREDIT (N'million)	STATUS	PERFECTED SECURITY/NATURE	FACILITY TYPE
Touchdown Travels Ltd	Related to a Director	Tunde Adeola	06-Nov-23	06-Nov-24	1,000	1,000	Performing	Personal Guarantee	Bank Guarantee
Rite Foods Limited	Related to a Director	Tairat Tijani	08-Mar-23	07-Mar-24	300	300	Performing	Personal Guarantee	Bank Guarantee
Rite Foods Limited	Related to a Director	Tairat Tijani	03-Nov-23	02-Nov-24	65	65	Performing	Personal Guarantee	Bank Guarantee
Audeo Clothing Company Ltd	Related to a Director	Tunde Adeola	07-Jan-15	23-Dec-24	5	5	Performing	Personal Guarantee	Bank Guarantee
TOTAL - CONTINGENT (Letters of credit and bond guarantees)					**1,370**	**1,370**			

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

37 Events after reporting date

There were no events after the reporting date which could have a material effect on the financial position of the Group and the Company as at 31 December 2024 and the profit or loss and other comprehensive income attributable to equity holders on that date which have not been adequately adjusted for or disclosed.

In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Company 31 Dec 2024	Company 31 Dec 2023
38 Cash and cash equivalents				
Cash and foreign monies (Note 16)	28,453	32,002	-	-
Unrestricted balances with Central Bank of Nigeria (Note 16)	61,585	124,920	-	-
Balances held with local banks (Note 17)	6	1,040	14,735	8,696
Balances held with banks outside Nigeria (Note 17)	557,625	233,411	-	-
Money market placements (Note 17)	11,824	502	-	-
	659,493	391,875	14,735	8,696

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial RIsk Management

(a) Introduction and overview

Risks are inherent in the lending, trading and all other intermediation activities of the Group. In managing these risks, the Group has adopted an Enterprise Risk Management philosophy of building a sound, safe and stable financial institution through the efficient management of risks. In achieving this, the Group has adopted a standard template and common methodology for risk identification, measurement, management and control.

The Group is exposed to various risks including Credit Risk, Liquidity Risk, Market Risk and Operational Risk in the trading book and banking book. The Group has put in place approved policies, procedures and guidelines for identifying, measuring, managing and controling 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 Group Chief Risk Officer (GCRO) coordinates the process of monitoring and reporting identified risks. The Risk Management division is complemented by Finance and Performance Management function, Compliance and Strategy function and the Internal Control function in the management of strategic, regulatory compliance and reputational risks. Internal Audit function 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

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.

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 Audit and Risk Management Committee (BARMC) 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 Committees (BCCs) 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 function monitors compliance with risk principles, polices 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 function, 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 and Risk Committee.

39 Financial risk management - continued

(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 exposures 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 Board Audit and Risk Committee is updated on the risk profile of the Group through regular risk reports.

(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 action plans and ensures reduction in exposures where necessary. Credit control and mitigation polices 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

39 Financial risk management - continued

The methodology described below is used in updating the Group's risk appetite framework.

(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.

39 Financial risk management - continued

(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 - The Alternative Bank Ltd
- 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.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

- 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

Non-Interest Banking: The Aternative Bank Ltd, a subsidiary of Sterling Financial Holdings Company, provides solutions that are consistent with Islamic laws and guided by Islamic economics. Non-Interest Banking is an alternative form of financial intermediation that is based on Islamic commercial jurisprudence. However, it is not exclusively for people of particular faith or religion, it is a financial product or service that is universally accessible by people of diverse religious or ethical beliefs across the globe.

Sterling Investment Management Plc: In 2016, Sterling Bank Limited registered Sterling Investment Management Plc ("the SPV") with the Corporate Affairs Commission as a public limited liability company 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.

(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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(j) Methodology for Risk Rating - continued

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: These 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.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(j) Methodology for Risk Rating - continued

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 Collaterised Facilities

Cash collaterised 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 collaterised 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.

(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.

39 Financial risk management - continued

(vi) Collateral/Security

Collateral, often referred to as credit risk mitigant, gives additional assurance to recovering loans granted to customers. The pledged collateral is documented and continuously reviewed as to its value and marketability.

Collaterals/securities are reviewed and scored based on the following parameters:

- Whether secured or not secured
- If secured, what type of security
- Perfectible legal mortgage
- Equitable mortgage
- Chattel mortgages
- Location of security/collateral
- Loan to value ratio of collateral offered
- Marketability of security/collateral
- Whether collateral is a specialised asset or general purpose - type asset.
- Depreciating or appreciating value over time.

Enterprise Risk Review

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Risks are an inevitable consequence of being in business.

The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Bank's financial performance. The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by Enterprise Risk Management Group (ERM) within the policies approved by the Board of Directors. The ERM group identifies, evaluates and manages respective aspects of financial risks in close co-operation with the Bank's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as liquidity risk, foreign exchange risk, interest rate risk, credit risk, market risk and operational risk. In addition, the Audit Division is responsible for the independent review of risk management and the control environment. The most important types of risk are Credit risk, Liquidity risk, Market risk and Operational risk. Market risk includes currency risk, interest rate and other price risk.

39.1 Credit Risk

Credit exposures arise principally in lending activities carried out through loans and advances, debt securities and other instruments in the Group's risk asset portfolio. Credit risk is also inherent in off-balance sheet financial instruments.

The Group manages credit risks, which has been defined as the potential for a counterparty to default on financial obligations leading to financial losses. Credit risk is the principal source of risk to the Group arising from loans and advances extended to customers under the corporate, commercial, and retail business lines.

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.

39 Financial risk management - continued

Main Characteristics and Elements of Credit Risk Management;

(a) Credit Portfolio Planning
In line with the Group's planning cycle, credit portfolio plans are developed and approved at the overall Group and individual business unit level.

Credit portfolio planning entails definition and agreement of target risk asset threshold for different sectors, definition of target markets and criteria for risk acceptance at the corporate level and across each credit creating business unit in the Group.

(b) Exposure Development and Creation

Exposure Development and creation incorporates the procedures for preliminary screening of facility requests, detailed credit risk analysis and risk rating, risk triggered review and approval of facilities, and controlled credit availment of approved facilities, processes and guidelines for developing credit opportunities and creating quality risk assets in line with the Group's risk management policies.

(c) Exposure Management
To minimize the risk and occurrence of loss as a result of decline in quality and non-performance of risk assets, clear guidelines for management of the risk asset portfolio and individual risk exposures are defined. Exposure management entails collateral management, facility performance monitoring, quality reviews, risk asset classification and reporting.

(d) Delinquency Management/Loan Workout
In the undesired event of decline in risk asset quality, prompt identification and management of delinquent loans significantly reduces credit risk losses in the Group. The delinquency management/loan workout module of the integrated risk management framework outlines the approach for identification and management of declining credit quality. This also covers loan workout where all activities are geared towards resuscitating non-performing loans, and the first stage in the process of recognizing possible credit loss.

(e) Credit Recovery
Deliberate actions are taken proactively to minimize the Group's loss on non-performing loans. Directions are provided in the Credit Policy guide for winding down the Group's exposure, waivers, write-offs, etc. In the event of recovery, process for recognizing income and previously written-off amounts is also defined.

The Group's Risk Management Objectives and Policies

The Group's risk management objectives and policies for credit risk include the following:

1. To ensure optimal earnings through high quality risk portfolio.
2. Clear articulation of criteria for decision making.
3. Description of specific activities and tasks with respect to the creation and management of risk assets.
4. Definition of non-performing loans as those with interest and principal repayment outstanding for 90 days or
5. Other criteria are also defined for determining impaired loans. These include:

- Borrower's business recording consistent losses which might impair the cash flow, and loan repayment.
- Borrower's networth being grossly eroded due to some macroeconomic events.
- Lack of communication from the borrower.
- Security offered has deteriorated in value and full payment cannot be guaranteed from normal operating sources.
- Where the Group consents to loan restructuring, resulting in diminished financial obligation.
- Demonstrated material forgiveness of debt or postponement of scheduled payment.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Categorization of collaterals to determine the acceptable security for the mitigation of impairment impact on the Income Statement.

(f) Risk Management Architecture

Risks are managed such that the risk profile and the Bank's reputation are aligned with the Group's objective of conservative risk appetite, balanced against a desire for reasonable returns.

(g) 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 processes throughout the Group is based on simple formal governance structures 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.

(h) 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.

39 Financial risk management - continued

The Group's rating scale, which is shown below, reflects the range of scores defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their credit risk changes.

The risk rating scale and the external rating equivalent is detailed below:

Risk Rating	External Rating Equivalent	Score Range	Remarks
RR -1	AAA TO AA-	90-100	Superior
RR -2	A+ TO A-	80-89.99	Strong
RR -3	BBB+ TO BB-	70-79.99	Good
RR -4	BB+ TO BB-	50-69.99	Satisfactory
RR -5	B+ TO B-	40-49.99	High risk
RR -6	CCC+ TO CCC	30-39.99	Watch list
RR -7	CC+ TO C	20-29.99	Substandard
RR -8	D	10-19.99	Doubtful
RR -9	D	<10	Lost

(b) **Debt Securities and Other Bills**

For debt securities and other bills, external rating such as Agusto rating or their equivalents are used by Treasury Department primarily to manage their liquidity risk exposures.

(iv) **Credit Risk Control & Mitigation policy**

The Group manages concentration risks to counterparties, groups, sectors and countries. The level of credit risk undertaken is controlled by setting limits on exposures to individuals, groups, geographical and sectoral segments and facilitate continuous monitoring of adherence to set limits. The limits set are reviewed periodically and approved by the Board of Directors.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single borrower, or groups of borrowers (single obligor limits), and to geographical and sectoral segments. Such risks are monitored on a revolving basis. Limits on the level of credit risk by industry sector and by geography are reviewed and approved quarterly by the Board of Directors.

The exposure to any borrower including banks and brokers is further restricted by sub-limits covering on- and off balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Enterprise risk review - continued

(iv) Credit Risk Control & Mitigation policy

The Group also sets internal credit approval limits for various levels in the credit process and is shown in the table

Authority level	Approval limit (Naira)
Full Board	Above 1,500,000,000
Board Credit Committee	1,500,000,000
Management Credit Committee	750,000,000
Managing Director	500,000,000
Executive Director	150,000,000

Approval limits are set by the Board of Directors and reviewed from time to time as the circumstances demand. Some other specific control and mitigation measures are outlined below:

(a) Collateral Acceptability

The guiding principles behind collateral acceptability are adequacy and marketability. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

i. Mortgages over residential properties;
ii. Charges over business assets such as premises, inventory and accounts receivable;
iii. Charges over financial instruments such as debt securities and equities.

Long-term finance and lending to corporate entities as well as individuals are generally secured. However, in order to minimize losses, the Group will seek additional collateral from the counterparty when there are indicators of devaluation in existing collateral value.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

The following table shows the maximum exposure to credit risk by class of financial asset. It also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

(b) Master Netting Arrangements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if default occurs, all amounts with the counterparty are settled on net basis.

39 Financial risk management - continued

Group *In millions of Naira*	31 Dec 2024	31 Dec 2023
Financial assets:		
Loans and advances	286,501	210,362
Financial liabilities:		
Collaterised deposits	239,544	159,444

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:

In millions of Naira	31 Dec 2024	31 Dec 2023
Net financial assets/ liabilities:		
Loans and advances	46,957	50,918

(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

Group

S/N	Region	31 Dec 2024	31 Dec 2023
	In millions of Naira		
1	Abuja	51,226	58,096
2	Lagos	802,944	618,414
3	North Central	53,567	39,928
4	North East	8,376	7,528
5	North West	26,114	37,276
6	South East	22,995	14,839
7	South South	69,345	62,455
8	South West	106,877	87,930
	Grand Total	**1,141,444**	**926,466**

39 Financial risk management - continued

Enterprise risk review - continued

Maximum exposure to credit risk before collateral held or other credit enhancements

The Group's maximum exposure to credit risk as at 31 December 2024 and 31 December 2023 is represented by the net carrying amounts of the financial assets set out below:

Group

Type of collateral or credit enhancement

31 December 2024

	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	-	-	-	-	-	-	-	-	-
Due from banks	569,455	-	-	-	-	-	-	569,455	-
Pledged assets	28,689	-	-	-	-	-	-	28,689	(14)
Loans and advances to customers							-	-	
- Corporate loans	1,040,348	309,447	187,610	36,427	1,038,705	46,880	1,619,069	-	(13,748)
- Individual/retail loans	101,096	630	12,397	-	-	4,292	17,319	83,777	(23,726)
Debt instruments at amortised cost	81,490	-	-	-	-	-	-	81,490	(121)
Total financial assets at amortised cost	**1,821,078**	**310,077**	**200,007**	**36,427**	**1,038,705**	**51,172**	**1,636,388**	**763,411**	**(37,609)**
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	485,529	-	-	-	-	-	-	485,529	-
Total debt instruments at fair value through other comprehensive income	**485,529**	**-**	**-**	**-**	**-**	**-**	**-**	**485,529**	**-**
Financial guarantees	189,996	-	-	-	-	-	-	189,996	(378)
Letters of credit for customers	96,119	-	-	-	-	-	-	96,119	-
	2,620,213	**310,077**	**200,007**	**36,427**	**1,038,705**	**51,172**	**1,636,388**	**1,562,546**	**(37,987)**

Company

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	-	-	-	-	-	-	-	-	-
Due from banks	14,735	-	-	-	-	-	-	14,735	-
Pledged assets	-	-	-	-	-	-	-	-	-
Loans and advances to customers									
- Corporate loans	-	-	-	-	-	-	-	-	-
- Individual/retail loans	-	-	-	-	-	-	-	-	-
Debt instruments at amortised cost	-	-	-	-	-	-	-	-	-
Total financial assets at amortised cost	**14,735**	**-**	**-**	**-**	**-**	**-**	**-**	**14,735**	**-**
Derivative financial assets	-							-	-
Debt instruments at fair value through profit or loss	-	-	-	-	-	-	-	-	-
Total financial instruments at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Total debt instruments at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial guarantees	-	-	-	-	-	-	-	-	-
Letters of credit for customers	-	-	-	-	-	-	-	-	-
	14,735	**-**	**-**	**-**	**-**	**-**	**-**	**14,735**	**-**

39 Financial risk management - continued

Enterprise risk review - continued

Group

Type of collateral or credit enhancement

31 December 2023

		Fair value of collateral and credit enhancements held							
In millions of Naira	**Maximum exposure to credit risk**	**Cash**	**Secured against Real Estate**	**Stocks/ shares**	**Debenture**	**Others**	**Total collaterals**	**Net exposure**	**Associated ECLs**
Financial assets									
Cash and balances with Central Bank of nigeria	-	-	-	-	-	-	-	-	-
Due from banks	234,953	-	-	-	-	-	-	234,953	-
Pledged assets	11,288	-	-	-	-	-	-	11,288	(16)
Loans and advances to customers							-	-	
- Corporate loans	822,459	191,075	86,614	160,995	1,742,510	4,438	2,185,632	-	(18,922)
- Individual/retail loans	104,007	2,610	10,385	17,899	548	51,541	82,983	21,024	(11,722)
Debt instruments at amortised cost	131,012	-	-	-	-	-	-	131,012	(282)
Total financial assets at amortised cost	**1,303,719**	**193,685**	**96,999**	**178,894**	**1,743,058**	**55,979**	**2,268,615**	**398,277**	**(30,942)**
Derivative financial assets	276							276	-
Debt instruments at fair value through profit or loss	2,112	-	-	-	-	-	-	2,112	-
Total financial instruments at fair value through profit or loss	**2,388**	**-**	**-**	**-**	**-**	**-**	**-**	**2,388**	**-**
Debt instruments at fair value through other comprehensive income	316,204	-	-	-	-	-	-	316,204	-
Total debt instruments at fair value through other comprehensive income	**316,204**	**-**	**-**	**-**	**-**	**-**	**-**	**316,204**	**-**
Financial guarantees	168,437	-	-	-	-	-	-	168,437	**(3)**
Letters of credit for customers	180,777	-	-	-	-	-	-	180,777	(535)
Other commitments	-	-	-	-	-	-	-	-	-
	1,971,525	**193,685**	**96,999**	**178,894**	**1,743,058**	**55,979**	**2,268,615**	**1,066,083**	**(31,480)**

Company

Type of collateral or credit enhancement

31 December 2023

		Fair value of collateral and credit enhancements held							
In millions of Naira	**Maximum exposure to credit risk**	**Cash**	**Secured against Real Estate**	**Stocks/ shares**	**Debenture**	**Others**	**Total collaterals**	**Net exposure**	**Associated ECLs**
Financial assets									
Cash and balances with Central Bank of Nigeria	-	-	-	-	-	-	-	-	-
Due from banks	8,696	-	-	-	-	-	-	8,696	-
Pledged assets	-	-	-	-	-	-	-	-	-
Loans and advances to customers									
- Corporate loans	-	-	-	-	-	-	-	-	-
- Individual/retail loans	-	-	-	-	-	-	-	-	-
Debt instruments at amortised cost	-	-	-	-	-	-	-	-	-
Total financial assets at amortised cost	**8,696**	**-**	**-**	**-**	**-**	**-**	**-**	**8,696**	**-**
Derivative financial assets	-	-	-	-	-	-	-	-	-
Debt instruments at fair value through profit or loss	-	-	-	-	-	-	-	-	-
Total financial instruments at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Total debt instruments at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial guarantees	-	-	-	-	-	-	-	-	-
Letters of credit for customers	-	-	-	-	-	-	-	-	-
	8,696	**-**	**-**	**-**	**-**	**-**	**-**	**8,696**	**-**

39 Financial risk management - continued

Enterprise risk review - continued

Credit concentrations

The Group monitors concentrations of credit risk by sector and by geographical location. An analysis of concentrations of credit risk at 31 December 2024, is set out below:

Group **31 December 2024** **In millions of Naira**	**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**
Concentration by sector:											
Corporate	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	142,387	-	-	-	-	3,632	146,019
Capital Market	-	-	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	30,427	-	-	-	-	-	30,427
Consumer	-	-	-	-	70,296	-	-	-	-	-	70,296
Education	-	-	-	-	5,517	-	-	-	-	-	5,517
Finance and Insurance	28,453	569,455	1,022	-	21,396	-	-	-	-	-	620,326
Government	838,672	-	27,653	-	82,326	27,491	81,369	485,529	189,618	18	1,732,676
Manufacturing	-	-	-	-	65,435	-	-	-	-	44,215	109,650
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	-	-	-	-	-	29,179
Real Estate & Construction	-	-	-	-	53,811	-	-	-	-	-	53,811
Transportation	-	-	-	-	64,747	-	-	-	-	-	64,747
Non-Interest Banking	-	-	-	-	41,347	-	-	-	-	-	41,347
	867,125	**569,455**	**28,675**	**-**	**1,103,970**	**27,491**	**81,369**	**485,529**	**189,618**	**96,119**	**3,449,351**
Concentration by location:											
Nigeria	867,125	11,771	28,675	-	1,103,970	27,491	81,369	485,529	189,618	96,119	2,891,667
America	-	30,196	-	-	-	-	-	-	-	-	30,196
Europe	-	482,920	-	-	-	-	-	-	-	-	482,920
Africa	-	44,568	-	-	-	-	-	-	-	-	44,568
	867,125	**569,455**	**28,675**	**-**	**1,103,970**	**27,491**	**81,369**	**485,529**	**189,618**	**96,119**	**3,449,351**

.

Company **31 December 2024** **In millions of Naira**	**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**
Concentration by sector:											
Corporate	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-
Capital Market	-	-	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-	-	-
Consumer	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-
Finance and Insurance	-	14,735	-	-	-	-	-	-	-	-	14,735
Government	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-	-	-
Mining & Quarrying	-	-	-	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-	-	-	-
Oil & Gas	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Power	-	-	-	-	-	-	-	-	-	-	-
Real Estate & Construction	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Non-Interest Banking	-	-	-	-	-	-	-	-	-	-	-
	-	**14,735**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,735**
Concentration by location:											
Nigeria	-	14,735	-	-	-	-	-	-	-	-	14,735
America	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-
Asia	-	-	-	-	-	-	-	-	-	-	-
	-	**14,735**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,735**

39 **Financial risk management - continued**

Enterprise risk review - continued

Credit concentrations

The Group monitors concentrations of credit risk by sector and by geographical location. An analysis of concentrations of credit risk at 31 December 2023, is set out below:

Group **31 December 2023** **In millions of Naira**	**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**
Concentration by sector:											
Corporate	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	103,719	-	-	-	1,000	190	104,909
Capital Market	-	-	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	22,387	-	-	-	196	-	22,583
Consumer	-	-	-	-	83,616	-	-	-	3	-	83,619
Education	-	-	-	-	9,233	-	-	-	-	-	9,233
Finance and Insurance	32,002	234,953	628	276	14,618	-	-	-	500	-	282,977
Government	572,597	-	10,644	-	73,102	2,112	130,730	316,204	13,221	12,190	1,130,800
Manufacturing	-	-	-	-	46,681	-	-	-	6,054	79,983	132,718
Mortgage	-	-	-	-	2,249	-	-	-	-	-	2,249
Oil & Gas	-	-	-	-	285,277	-	-	-	48,178	72,792	406,247
Others		-	-	-	116,095	-	-	-	18,920	9,879	144,894
Power	-	-	-	-	30,479	-	-	-	859	4,778	36,116
Real Estate & Construction	-	-	-	-	17,869	-	-	-	62,648	22	80,539
Transportation	-	-	-	-	55,951	-	-	-	14,786	-	70,737
Non-Interest Banking	-	-	-	-	34,482	-	-	-	2,069	408	36,959
	604,599	**234,953**	**11,272**	**276**	**895,822**	**2,112**	**130,730**	**316,204**	**168,434**	**180,242**	**2,544,644**
Concentration by location:											
Nigeria	604,599	1,040	11,272	276	895,822	2,112	130,730	316,204	168,434	180,242	2,310,731
America	-	120,890	-	-	-	-	-	-	-	-	120,890
Europe	-	112,934	-	-	-	-	-	-	-	-	112,934
Africa	-	89	-	-	-	-	-	-	-	-	89
Asia	-	2	-	-	-	-	-	-	-	-	-
	604,599	**234,955**	**11,272**	**276**	**895,822**	**2,112**	**130,730**	**316,204**	**168,434**	**180,242**	**2,544,644**

Company **31 December 2023** **In millions of Naira**	**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**
Concentration by sector:											
Corporate	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-
Capital Market	-	-	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-	-	-
Consumer	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-
Finance and Insurance	-	8,696	-	-	-	-	-	-	-	-	8,696
Government	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-	-	-	-
Oil & Gas	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Power	-	-	-	-	-	-	-	-	-	-	-
Real Estate & Construction	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Non-Interest Banking	-	-	-	-	-	-	-	-	-	-	-
	-	**8,696**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,696**
Concentration by location:											
Nigeria	-	8,696	-	-	-	-	-	-	-	-	8,696
America	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-
Asia	-	-	-	-	-	-	-	-	-	-	-
	-	**8,696**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,696**

39 **Financial Risk Management - continued**

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 2024				
Assets	**carrying values of:**			
In millions of Naira	**Defaulted exposures**	**Non defaulted exposures**	**Allowances/ impairments**	**Net values**
Loans and advances to customers	61,580	1,079,864	(37,474)	1,103,970
Debt securities	-	-	-	-
Off balance sheet exposures	-	286,115	(378)	285,737
Total	61,580	1,365,979	(37,852)	1,389,707

In millions of Naira	RR1 - RR2	RR3 - RR4	RR5 - RR6	RR7 - RR9	Total	Carrying Amount
Balances with Central Bank of Nigeria	867,125	-	-	-	867,125	867,125
Due from banks	569,455	-	-	-	569,455	569,455
Pledged assets	28,675	-	-	-	28,675	28,675
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	30,981	590,980	457,903	61,580	1,141,444	1,103,970
Financial assets at fair value through profit or loss	27,491	-	-	-	27,491	27,491
Investments securities - FVOCI	485,529	-	-	-	485,529	485,529
Investments securities - amortised cost	81,490	-	-	-	81,490	81,369
Other assets	-	163,470	-	-	163,470	163,470
Total	2,090,746	754,450	457,903	61,580	3,364,679	3,327,084

31 December 2023				
Assets	**carrying values of:**			
In millions of Naira	**Defaulted exposures**	**Non defaulted exposures**	**Allowances/ impairments**	**Net values**
Loans	46,969	879,497	(30,644)	895,822
Debt Securities	-	-	-	-
Off Balance sheet exposures	-	349,214	(538)	348,676
Total	46,969	1,228,711	(31,182)	1,244,498

In millions of Naira	RR1 - RR2	RR3 - RR4	RR5 - RR6	RR7 - RR9	Total	Carrying Amount
Balances with Central Bank of Nigeria	604,599	-	-	-	604,599	604,599
Due from banks	234,953	-	-	-	234,953	234,953
Pledged assets	11,272	-	-	-	11,272	11,272
Derivative financial assets	276	-	-	-	276	276
Loans and advances to customers	67,333	510,569	301,595	46,969	926,466	895,822
Financial assets at fair value through profit or loss	2,112	-	-	-	2,112	2,112
Investments securities - FVOCI	316,204	-	-	-	316,204	316,204
Investments securities - amortised cost	131,012	-	-	-	131,012	130,730
Other assets	-	227,639	-	-	227,639	227,639
Total	1,367,761	738,208	301,595	46,969	2,454,533	2,423,607

39 Financial risk management - continued

Enterprise risk review - continued

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 2024

Assets			Exposure unsecured	Total Exposures	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which: secured
In millions of Naira							
Loans and advances to customers			53,617	1,087,827	1,034,210	-	-
Debt Securities			-	-		-	-
Total			53,617	1,087,827	1,034,210	-	-
of which defaulted			**-**	**61,580**	**-**	-	-

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**		
In millions of Naira			**on balance sheet**	**off- balance sheet**	**on balance sheet**	**off- balance sheet**	**Risk Weighted Assets (RWA)**
Sovereigns and their central banks			1,531,306	-	1,389	-	1,389
Non-central government public sector entities			83,762	40,637	-	4,218	4,218
Multilateral Development Banks (MDBs)			-	-	-	-	-
Supervised institutions			559,688	-	190,301	-	190,301
Corporates			764,771	285,075	617,181	14,709	631,890
Regulatory retail portfolios			96,308	322	70,498	2	70,500
Secured by residential property			50,779	-	49,605	-	49,605
Secured by commercial real estate			95,778	-	94,073	-	94,073
Past due loans			36,231	-	37,305	-	37,305
Higher –risk categories			48,636	-	72,954	-	72,954
Other assets			238,012	26,515	209,558	13,071	222,629
Total			**3,505,271**	**352,549**	**1,342,864**	**32,000**	**1,374,864**

31 December 2023

Assets			Exposure unsecured	Total Exposures	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which: secured
In millions of Naira							
Loans and advances to customers			48,181	878,285	830,104	-	-
Debt Securities			-	-		-	-
Total			48,181	878,285	830,104	-	-
of which defaulted			**-**	**46,969**	**-**	-	-

39 **Financial risk management - continued**

Enterprise risk review - continued

Exposure to credit risk - continued

Credit Risk Exposure and Credit Risk Mitigation (CRM)

Asset Classes			**Exposures pre CCF and CRM**		**Exposures post CCF and CRM**		
In millions of Naira			**on balance sheet**	**off- balance sheet**	**on balance sheet**	**off- balance sheet**	**Risk Weighted Assets (RWA)**
Sovereigns and their central banks			1,071,013	-	1,071,013	-	-
Non-central government public sector entities			91,673	-	41,090	6,695	47,744
Supervised institutions			331,801	21,165	331,104	-	67,654
Corporates			601,895	291,274	502,757	98,002	540,240
Regulatory retail portfolios			95,033	59,230	93,471	29,607	70,107
Secured by residential property			10,496	-	9,914	-	8,977
Secured by commercial real estate			97,545	-	90,865	-	90,865
Past due loans			27,668	-	27,668	-	30,343
Higher –risk categories			36,906	-	36,906	-	55,360
Other assets			198,895	33,973	198,895	14,284	149,196
Total			**2,562,925**	**405,642**	**2,403,683**	**148,588**	**1,060,486**

EXPOSURE BY ASSET CLASSES AND RISK WEIGHTS

31 December 2024 **In millions of Naira** **Risk weight**	**0%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Exposure Amount (Post CCF and Post CRM)**
Sovereigns	1,531,306	-	-	-	-	-	**1,531,306**
Non-central government public sector entities (PSEs)	-	4,276	-	-	1,378	-	**5,654**
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	**-**
Supervised Institutions	-	374,193	138,932	-	45,995	1	**559,121**
Corporates	-	14,709	-	-	617,181	-	**631,890**
Regulatory Retail Portfolios	-	3	-	93,998	-	-	**94,001**
Secured by Mortgages on Residential Properties	-	-	-	4,569	46,178	-	**50,747**
Exposures Secured by Mortgages on Commercial Real Estates	-	-	-	-	94,073	-	**94,073**
Past due loans	-	-	1,466	-	22,117	9,637	**33,220**
Higher –risk categories	-	-	-	-	-	48,636	**48,636**
Other assets	28,454	-	13,071	-	209,558	-	**251,083**
Total	**1,559,760**	**393,181**	**153,469**	**98,567**	**1,036,480**	**58,274**	**3,299,731**

39 **Financial risk management - continued**

Enterprise risk review - continued

Exposure to credit risk - continued

COUNTERPARTY CREDIT RISK EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS

31 December 2024
In millions of Naira

Risk weight	0%	20%	50%	75%	100%	150%	Total credit exposure amount (Pre CCF and CRM)
Sovereigns	1,531,306	-	-	-	-	-	**1,531,306**
Non-central government public sector entities (PSEs)	-	21,148	19,547	-	83,704	-	**124,399**
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	**-**
Supervised institutions	-	374,199	138,932	-	46,555	1	**559,687**
Corporates	-	75,017	210,059	-	764,771	-	**1,049,847**
Regulatory retail portfolios	-	13	310	96,308	-	-	**96,631**
Secured by Mortgages on Residential Properties	-	-	-	4,590	46,189	-	**50,779**
Exposures Secured by Mortgages on Commercial Real Estates	-	-	-	-	95,778	-	**95,778**
Past due loans	-	-	1,466	-	23,281	11,483	**36,230**
Higher –risk categories	-	-	-	-	-	48,636	**48,636**
Other assets	28,454	-	26,515	-	209,558	-	**264,527**
Total	**1,559,760**	**470,377**	**396,829**	**100,898**	**1,269,836**	**60,120**	**3,857,820**

EXPOSURE BY ASSET CLASSES AND RISK WEIGHTS

31 December 2023
In millions of Naira

Risk weight	0%	20%	50%	75%	100%	150%	Exposure Amount (Post CCF and Post CRM)
Sovereigns	1,071,013	-	-	-	-	-	1,071,013
Non-central government public sector entities (PSEs)	-	2,644	4,103	-	41,038	-	47,785
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Supervised Institutions	-	329,155	251	-	1,696	-	331,102
Corporates	-	31,757	66,246	-	502,757	-	600,760
Regulatory Retail Portfolios	-	5	29,602	93,471	-	-	123,078
Secured by Mortgages on Residential Properties	-	-	-	3,747	6,167	-	9,914
Exposures Secured by Mortgages on Commercial Real Estates	-	-	-	-	90,865	-	90,865
Past due loans	-	-	9	-	22,298	5,360	27,667
Higher –risk categories	-	-	-	-	-	36,906	36,906
Other assets	63,748	1,802	12,482	-	135,147	-	213,179
Total	**1,134,761**	**365,363**	**112,693**	**97,218**	**799,968**	**42,266**	**2,552,269**

COUNTERPARTY CREDIT RISK EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS

31 December 2023
In millions of Naira

	0%	20%	50%	75%	100%	150%	Total credit exposure amount (Pre CCF and CRM)
Sovereigns	1,071,013	-	-	-	-	-	1,071,013
Non-central government public sector entities (PSEs)	-	13,011	8,206	-	91,621	-	112,838
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Supervised institutions	-	329,853	251	-	1,696	-	331,800
Corporates	-	158,783	132,491	-	601,895	-	893,169
Regulatory retail portfolios	-	26	59,204	95,033	-	-	154,263
Secured by Mortgages on Residential Properties	-	-	-	3,929	6,567	-	10,496
Exposures Secured by Mortgages on Commercial Real Estates	-	-	-	-	97,545	-	97,545
Past due loans	-	-	9	-	22,298	5,360	27,667
Higher –risk categories	-	-	-	-	-	36,906	36,906
Other assets	63,748	9,009	24,964	-	135,147	-	232,868
Total	**1,134,761**	**510,682**	**225,125**	**98,962**	**956,769**	**42,266**	**2,968,565**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 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 *In millions of Naira*	**31 Dec 2024**	**31 Dec 2023**
Bonds, guarantees and indemnities	189,996	168,437
Letters of credit	96,119	180,777
	286,115	**349,214**

Maturity profile of contingents and commitments

As at 31 December 2024 *In millions of Naira*	On demand	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
Bonds, guarantees and indemnities	-	5,967	60,755	29,951	93,323	189,996
Letters of credit	-	17,037	16,977	41,015	21,090	96,119
Total undiscounted financial assets (A)	**-**	**23,004**	**77,732**	**70,966**	**114,413**	**286,115**

As at 31 December 2023	On demand	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Bonds, guarantees and indemnities	-	22,629	53,524	38,139	54,145	168,437
Letters of credit	-	177,929	2,537	-	-	180,777
Total undiscounted financial assets (A)	**-**	**200,558**	**56,061**	**38,139**	**54,145**	**349,214**

39 Financial Risk Management - continued

Exposure to Credit Risk - continued

Impairment Assessment

The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments (except for specialised lending facilities where the 90 days past due is rebutted and 180 days past due is used instead). The Group considers treasury and interbank balances defaulted and takes immediate action when the required intra-day payments are not settled by the close of business as outlined in the individual agreements.

As a part of the qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness 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 Group puts the credit obligation on non-accrued status.
- The Group 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 Group has filed for the obligor's bankruptcy or a similar order in respect of the obligor's credit obligation to the Group.

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 lease 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, utilize 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 probabity weights assigned to derive the probaility 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.

Corporate lending

For corporate loans, the borrowers are assessed by specialised credit risk employees of the Group. The credit risk assessment is based on a credit rating model that takes into account various historical, current and forward-looking information such as:
• Historical financial information together with forecasts and budgets prepared by the client. This financial information includes realised and expected results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance. Some of these indicators are captured in covenants with the clients and are, therefore, measured with greater attention.
• Any publicly available information on the clients from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, publicly traded bond.
• Any macro-economic or geopolitical information, e.g., GDP growth for the specific industry and geographical segments where the client operates. Industry or sector information to assess the competitive position of the obligors with regards to market share.
• Any other objectively supportable information on the quality and abilities of the client's management relevant for the company's performance.

The complexity and granularity of the rating techniques varies based on the exposure of the Group and the complexity and size of the customer. Some of the less complex small business loans are rated within the Group's models for retail products.

Retail/MSME lending

Retail lending comprises, asset finance, unsecured personal loans, credit cards and overdrafts. These products, along with retail mortgages and some of the less complex small business lending are rated by an automated scorecard tool .

Key inputs into the models are:
• Consumer/Retail lending products: personal income/salary levels based on records of current accounts, personal indebtedness, demographic information and loan-to-value ratios (mortgages).
• MSMEs:financial , management and industry information. In additition, historical account performance is evaluated.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial Risk Management - continued

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.

Loans 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's characteristics.

39 Financial Risk Management - continued

Significant increase in Credit Risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or Lifetime (LT) ECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers both qualitative and quantitative factors in assessing whether credit risk has increased significantly on any exposure. Some of these factors include significant increase in PD since initial recognition, expectation of forbearance and restructuring due to financial difficulties.

Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a group of similar assets (as set out in Note 19c), the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Analysis of inputs to the ECL model under Multple 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' 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 2021 and 2022.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

39 **Financial Risk Management - continued**

Group

31 December 2024								
Key drivers	**ECL Scenario**	**Assigned probabilities**	**2024**	**2025**	**2026**	**2027**	**2028**	**Subseqeunt years**
GDP growth rate%	Upside	14%	4.00%	4.45%	4.60%	4.75%	4.90%	5.00%
	Base Case	79%	3.50%	3.95%	4.10%	4.25%	4.40%	4.50%
	Downside	8%	3.00%	3.45%	3.60%	3.75%	3.90%	4.00%
Exchange rate	Upside	14%	1,575.00	1,475.00	1,435.00	1,395.00	1,355.00	1,325.00
	Base Case	79%	1,600.00	1,500.00	1,460.00	1,420.00	1,380.00	1,350.00
	Downside	8%	1,675.00	1,575.00	1,535.00	1,495.00	1,455.00	1,425.00
Inflation rate %	Upside	14%	29.00%	25.00%	23.00%	21.00%	19.00%	17.00%
	Base Case	79%	29.50%	25.50%	23.50%	21.50%	19.50%	17.50%
	Downside	8%	30.00%	26.00%	24.00%	22.00%	20.00%	18.00%

Analysis of inputs to the ECL model under multiple economic scenarios - continued

31 December 2023								
Key drivers	**ECL Scenario**	**Assigned probabilities**	**2023**	**2024**	**2025**	**2026**	**2027**	**Subseqeunt years**
		%						
GDP growth rate%	Upside	12%	2.54%	4.25%	4.25%	4.50%	4.50%	4.50%
	Base Case	65%	2.51%	3.75%	3.75%	4.50%	4.50%	4.50%
	Downside	23%	2.31%	3.25%	3.25%	4.00%	4.00%	4.00%
Exchange rate	Upside	12%	756.24	905.00	845.00	800.00	725.00	680.00
	Base Case	65%	776.79	925.00	865.00	805.00	745.00	700.00
	Downside	23%	951.79	945.00	885.00	825.00	765.00	720.00
Inflation rate %	Upside	12%	22.04%	25.25%	24.25%	23.25%	22.25%	21.25%
	Base Case	65%	22.79%	26.00%	25.00%	24.00%	23.00%	22.00%
	Downside	23%	26.72%	26.75%	25.75%	24.75%	23.75%	22.75%

At the beginning of each year, the key economic indicators used in ECL models for the Group are always reassessed to reflect current and accurate data.

Group

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 (12%)	222	19	1,900	3,279	52	-
Base (65%)	1,259	106	10,792	18,625	297	-
Downside (23%)	123	10	1,056	1,822	29	-
Total	1,604	135	13,748	23,726	378	-

31 December 2023	**Debt instruments at FVOCI**	**Debt instruments at amortised cost**	**Corporate lending**	**Individual/ Retail lending**	**Financial guarantee**	**Letter of credit**
In millions						
Upside (23%)	218	50	3,164	1,960	1	89
Base (50%)	788	181	11,467	7,104	2	324
Downside (27%)	295	67	4,291	2,658	-	121
Total	1,301	298	18,922	11,722	3	535

Overview of modified financial assets

From a risk management point of view, once an asset is forborne or modified, the Group's credit recovery department for distressed assets continues to monitor the exposure until it is completely and ultimately derecognised.

The table below includes Stage 2 and 3 assets that were modified and, therefore, treated as forborne during the period, with the related modification gain earned by the Bank.

Group	**31 Dec 2024**	**31 Dec 2023**
Loans and advances	5,861	17,788
Net modification gain/(loss)	(22)	(611)
Amortised cost after modification	5,839	17,177

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Enterprise risk review - continued

(e) Liquidity risk

Liquidity risk and Funding Management: The Group is exposed to two types of liquidity risk;

1 Market/Trading Liquidity Risk is the risk of inability to conduct transaction at current market price because of the size of the transaction. This type of liquidity risk comes to play when certain assets cannot be liquidated at short notice due to market illiquidity.

2 Funding Liquidity Risk relates to the inability to raise the necessary cash to roll over its debt; to meet the cash, margin, and collateral requirements of counterparties; and to satisfy capital withdrawals. Funding liquidity risk is managed through holding cash and cash equivalents, setting credit lines in place, and monitoring buying power. (Buying power refers to the amount a trading counterparty can borrow against assets under stressed market conditions).

The Asset & Liability Committees (ALCO) are responsible for managing the liquidity of the Group. The Asset and Liability Management (ALM) function manages the day-to-day liquidity requirements across the Group. The Market & Liquidity Risk function 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 function and market and Liqudity Risk function).

39 Financial risk management - continued

Liquidity risk - continued

(e) Liquidity Risk Measurement Techniques

Liquidity positions are measured by calculating the net liquidity gap and by comparing selected ratios with targets as specified in the liquidity risk management policy.

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and Government Bonds for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitment. A similar calculation is used to measure the Group's compliance with the liquidity limit established by the CBN.

The following table reflects the Group's regulatory liquidity ratio for the years indicated.

	As at 31 December 2024	As at 31 December 2023
At end of year	35.18%	32.41%
Average for the year	32.80%	31.83%
Maximum for the year	36.63%	35.34%
Minimum for the year	26.62%	30.25%

In addition to the above, the Group also applies the following metrics in measuring liquidity risk and ensuring that day-to-day funding requirements are met.

1 **Liquidity Coverage Ratio (LCR)** - The LCR aims to ensure that the Group has sufficient unencumbered high-quality liquid assets ('HQLA') to withstand a stressed 30-day funding scenario. HQLA consist of cash or assets that can easily be converted into cash at little or no loss of value to cover any net outflow. The minimum requirement is 100%.

On a Business-As-Usual (BAU) basis, the Group's LCR as at 31 December 2024 was 120.43%. The LCR indicates that the Group has adequate liquidity to support its current level of growth.

2 Net Stable Funding Ratio (NSFR) – The Net Stable Funding Ratio (NSFR) is a longer-term structural ratio designed to reduce funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress.

It measures the amount of available stable funding relative to the required stable funding. This ratio should be equal to at least 100% on an ongoing basis. It is designed to complement the LCR.

The Group's NSFR of 155.04% as at 31 December 2024, was well above the Basel requirement of 100% and internal risk tolerance level.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Liquidity risk - continued

(e) Liquidity Risk Measurement Techniques - continued

3 **Liquidity Gap**: Liquidity Gap describes a discrepancy or mismatch in the supply or demand for cash inflows and outflows. The ALM Team uses maturity gap analysis to compare cash inflows and outflows daily and over a series of time-bands. The liquidity gap reports are prepared using the projection worksheets created for different scenarios and stress levels. For each scenario, the assumptions used were approved by the ALCO. For liquidity in the normal or ordinary course of business, the minimum levels of projected liquidity shall be maintained. For liquidity in all other scenarios and stress levels, the ALCO establishes minimum guidance levels.

4 **Liquidity Ratios:** Liquidity ratios describe the structure and shape of the balance sheet in business-as-usual conditions and allow the ALCO to monitor changes in structural liquidity. The Group establishes various liquidity ratios to indicate the business's ability to meet short-term obligations with liquid assets, identify any mismatches between long-term funding sources and uses and review the ability of the banking business to fund loans through customer deposits.

The ALCO sets the internal liquidity ratios targets aimed at ensuring that the Group meets its liquidity needs under going concern and stressed market conditions.

Please find below key liquidity risk metrics as at 31st December 2024

	As at 31 December 2024	As at 31 December 2023
Liquidity Ratio	35.18%	32.41%
Net Interbank Borrowing / Total Deposit	0.19%	0.00%
Loan/ Deposit Ratio	49.36%	56.25%
Current and Savings Account/Total Deposit	75.16%	74.87%

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.

Liquidity risk - continued

(e) Liquidity Risk Measurement Techniques - continued

Liquidity Contingency Funding Plan

The Group has an approved liquidity Contingency Funding Plan (CFP or the Plan) for managing unanticipated stressful scenarios that could result in a significant erosion of group-specific or general market liquidity. The Plan details the policies, procedures and actions for responding to contingent liquidity events as well as incorporates early warning indicators to monitor market conditions.

Such early warning indicators include, among others, decline in the liquidity ratio below approved limits for a prescribed period, delays in disbursements of statutory allocations beyond a prescribed period, negative clearing balances for a prescribed period or a branch running out of physical cash.

The Contingency Funding plan covers the available sources of contingent funding to supplement cash flow shortages, the lead times to obtain such funding, the roles and responsibilities of those involved in the contingency plans, and the communication and escalation requirements when early warning indicators signal deteriorating market conditions. Both short term and long-term funding crises are addressed in the Contingency Funding Plan.

In the period between 31 December 2023 and 31 December 2024, the Group's total deposit base grew on a yearly basis by 36.7% from N1.843billion to N2,518 billion. It is instructive to note that 59.3% of the customer deposits were Demand deposits.

Group

The table below shows the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

31 December 2024	Note	Carrying amount	Gross nominal Inflow/(outflow)	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years
In millions of Naira								
Financial assets								
Cash and balances with Central Bank of Nigeria	16	867,125	867,125	90,038	-	777,087	-	-
Due from banks	17	569,455	569,466	569,466	-	-	-	-
Pledged assets	18	28,675	28,760	16,324	2,801	9,321	314	-
Derivative financial assets	19	-	-	-	-	-	-	-
Loans and advances to customers	20	1,103,970	1,376,922	443,309	247,524	152,037	341,556	192,496
Investment securities:				-	-	-	-	-
- Financial assets at fair value through profit or loss	21(a)	27,491	31,241	4,270	7,999	10,253	2,608	6,111
- Debt instruments at fair value through other comprehensive income	21(b)	485,529	837,532	174,954	24,162	131,994	124,730	381,692
- Equity instruments at fair value through other comprehensive income	21(c)	48,635	48,635	-	-	-	-	48,635
- Debt instruments at amortised cost	21(d)	81,369	108,969	31,969	-	17,357	37,615	22,028
Other assets	23	163,470	192,393	146,362	4,250	6,904	34,877	-
		3,375,719	**4,061,043**	**1,476,692**	**286,736**	**1,104,953**	**541,700**	**650,962**
Financial liabilities								
Deposits from Banks	27	49,364	49,364	49,364	-	-	-	-
Deposits from customers	28	2,518,512	2,586,796	1,071,698	277,885	878,607	130,807	227,799
Debt securities issued & other borrowed funds	29&30	247,890	280,137	-	13,811	112,845	136,875	16,607
Other liabilities	31	392,409	393,922	391,668	1,588	563	103	-
		3,208,175	**3,310,219**	**1,512,730**	**293,284**	**992,015**	**267,785**	**244,406**
Gap (asset - liabilities)		**167,544**	**750,824**	**(36,038)**	**(6,548)**	**112,938**	**273,915**	**406,556**
Cumulative liquidity gap				**(36,038)**	**(42,586)**	**70,353**	**344,267**	**750,824**

39 Financial Risk Management - continued

Enterprise Risk Review - continued

(e) Liquidity Risk - continued

Group

31 December 2023	Note	Carrying amount	Gross nominal Inflow/(outflow)	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years
In millions of Naira								
Financial assets								
Cash and balances with Central Bank of Nigeria*	16	604,599	604,599	156,922	-	447,677	-	-
Due from banks	17	234,953	234,953	234,953	-	-	-	-
Pledged assets	18	11,272	11,598	-	5,600	5,778	-	220
Derivative financial assets	19	276	276	276	-	-	-	-
Loans and advances to customers	20	895,822	930,014	338,057	141,593	109,978	232,086	108,300
Investment securities:								
- Financial assets at fair value through profit or loss	21(a)	2,112	2,198	136	144	693	535	690
- Debt instruments at fair value through other comprehensive income	21(b)	316,204	330,168	52,488	30,338	47,031	78,428	121,883
- Equity instruments at fair value through other comprehensive income	21(c)	36,906	36,906	-	-	-	-	36,906
- Debt instruments at amortised cost	21(d)	130,730	136,513	39,987	8,253	30,336	40,503	17,434
Other assets	23	227,639	234,910	70,087	44,214	70,216	20,318	30,075
		2,460,513	**2,522,135**	**892,906**	**230,142**	**711,709**	**371,870**	**315,508**
Financial liabilities								
Deposits from Banks	27	-	-	-	-	-	-	-
Deposits from customers	28	1,842,815	1,852,349	609,838	128,778	399,472	272,986	441,275
Debt securities issued & other borrowed funds	29&30	242,644	290,636	2,349	10,003	13,486	156,329	108,469
Other liabilities	31	257,573	257,585	30,184	41,635	66,613	30,892	88,261
		2,343,032	**2,400,570**	**642,371**	**180,416**	**479,571**	**460,207**	**638,005**
Gap (asset - liabilities)		**117,481**	**121,565**	**250,535**	**49,726**	**232,138**	**(88,337)**	**(322,497)**
Cumulative liquidity gap				**250,535**	**300,261**	**532,399**	**444,062**	**121,565**

*In the prior year, cash and balances with the CBN were disclosed under the 'more than 5 years' maturity bucket. These have now been reclassified to the '6–12 months' maturity bucket to align with the current year's presentation, which more accurately reflects the actual maturity pattern. This reclassification has no impact on the bank's financial performance or position for the prior year.

Company

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	-	-	-	-	-	-	-
Due from banks	17	14,735	14,735	14,735	-	-	-	-
Pledged assets	18	-	-	-	-	-	-	-
Derivative financial assets	19	-	-	-	-	-	-	-
Loans and advances to customers	20	-	-	-	-	-	-	-
Investment securities:				-	-	-	-	-
- Financial assets at fair value through profit or loss	21(a)	-	-	-	-	-	-	-
- Debt instruments at fair value through other comprehensive income	21(b)	-	-	-	-	-	-	-
- Equity instruments at fair value through other comprehensive income	21(c)	-	-	-	-	-	-	-
- Debt instruments at amortised cost	21(d)	-	-	-	-	-	-	-
Other assets		3,167	3,167	3,167	-	-	-	-
		17,902	**17,902**	**17,902**	**-**	**-**	**-**	**-**
Financial liabilities								
Deposits from Banks	27	-	-	-	-	-	-	-
Deposits from customers	28	-	-	-	-	-	-	-
Debt securities issued & other borrowed funds	29&30	-	-	-	-	-	-	-
Other liabilities	31	634	634	634	-	-	-	-
		634	**634**	**634**	**-**	**-**	**-**	**-**
Gap (asset - liabilities)		**17,268**	**17,268**	**17,268**	**-**	**-**	**-**	**-**
Cumulative liquidity gap				**17,268**	**17,268**	**17,268**	**17,268**	**17,268**

39 Financial Risk Management - continued

Enterprise Risk Review - continued

(e) Liquidity Risk - continued

Company

31 December 2023 **In millions of Naira** Financial assets	Note	Carrying amount	Gross nominal Inflow/(outflow)	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years
Cash and balances with Central Bank of Nigeria	16	-	-	-	-	-	-	-
Due from banks	17	8,696	8,696	8,696	-	-	-	-
Pledged assets	18	-	-	-	-	-	-	-
Derivative financial assets	19	-	-	-	-	-	-	-
Loans and advances to customers	20	-	-	-	-	-	-	-
Investment securities:				-	-	-	-	-
- Financial assets at fair value through profit or loss	21(a)	-	-	-	-	-	-	-
- Debt instruments at fair value through other comprehensive income	21(b)	-	-	-	-	-	-	-
- Equity instruments at fair value through other comprehensive income	21(c)	-	-	-	-	-	-	-
- Debt instruments at amortised cost	21(d)	-	-	-	-	-	-	-
Other assets	23	411	411	411	-	-	-	-
		9,107	**9,107**	**9,107**	**-**	**-**	**-**	**-**
Financial liabilities								
Deposits from Banks	27	-	-	-	-	-	-	-
Deposits from customers	28	-	-	-	-	-	-	-
Debt securities issued & other borrowed funds	29&30	-	-	-	-	-	-	-
Other liabilities	31	612	612	612	-	-	-	-
		612	**612**	**612**	**-**	**-**	**-**	**-**
Gap (asset - liabilities)		**8,495**	**8,495**	**8,495**	**-**	**-**	**-**	**-**
Cumulative liquidity gap				**8,495**	**8,495**	**8,495**	**8,495**	**8,495**

39 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

39 Financial risk management - continued

(f) Market Risk

Market Risk Governance Structure

Board of Directors	• The Board is responsible for the overall governance of Market Risk management process.
Board Risk Management Committee	• The Board Risk Management Committee promotes effective management of Market Risk. The Committee also help to foster the establishment and maintenance of an effective Market Risk culture.
Management Risk Committee (MRC)	• The Management Risk Committee (MRC) is responsible for implementing the Bank's Market Risk management policies and procedures.
Asset and Liability Management Committee	• The overall authority and management of Market Risk in the Group is vested in the Asset and Liability Management Committee (ALCO).
Chief Risk Officer	• The Chief Risk Officer provides direction on the implementation of market risk management framework as well as supervises and monitors on regular basis, the Market Risk profile of the Group.
Market and Liquidity Risk Management (MLRM) Team	• The MLRM Team has primary ownership of the policy and ensures its implementation. • This include identifying, measuring, monitoring and reporting market risks within the Group while developing policies and guidelines for its effective management.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Market Risk Measurement Techniques

The major measurement techniques used by the Group to monitor and control Market Risk exposures are outlined below.

1 Value at Risk (VaR): It is a technique that produces estimates of the potential change in the market value of a portfolio over a specified time horizon at a given confidence level. In line with the Group's policy, VaR assumes a time horizon of one trading day and a confidence level of 99% for internal risk management purposes bearing in mind present market realities, the Group's level of exposure as well as the composition of its portfolio.

The Group's trading VaR for the financial year is reflected in the table below.

2024 (all figures in N'million)	Interest Rate	Foreign Exchange
VaR as at 31 Dec 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 though 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

39 Financial Risk Management - continued

Enterprise Risk Review - continued

f(i) Interest Rate Risk

Interest rate risk in the banking book is the risk of an adverse impact on earnings or capital due to changes in market interest rates. Changes in interest rates affect earnings by changing its net interest income and the level of other interest sensitive income and operating expenses. Changes in interest rates also affect the underlying value of the assets, liabilities, and off-balance-sheet instruments because the present value of future cash flows (and in some cases, the cash flows themselves) change when interest rates change.

The Group’s objective for management of interest rate risk in the banking book is to ensure a higher degree of interest rate mismatch margin stability and lower interest rate risk over an interest rate cycle. This is achieved by hedging material exposures with the external market.

The Group’s operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. In the case of floating rate assets and liabilities, the Group is also exposed to basis risk, which can arise due to the movement in the various floating rate indices, such as the savings rate and the 90-day NIBOR, until maturity. Non-traded interest rate risk arises in the group’s book from the provision of retail and wholesale banking products and services, as well as from certain structural exposures within the balance sheet, mainly due to the fact that assets, liabilities and equity may be re-priced at different times. These risks impact both the earnings and the economic value of the Group.

Overall, management of the Group’s non-trading interest rate risk positions lies with the ALCO. In addition to various strategies, the ALCO defines the internal transfer pricing framework constructed to ensure that interest rate risk arising from mismatches in the maturity profile of assets and liabilities is managed to achieve a balanced repricing cumulative gap position that is in line with the limits set by the Board. The ALCO also makes judgmental assumptions about the behaviour of assets and liabilities that do not have specific contractual maturity or re-pricing dates.

Measurement of Interest Rate Risk in the Banking Book

Generally, the primary source of interest rate risk is the differences in the timing of the repricing of the assets, liabilities and off-balance sheet instruments. Repricing mismatches generally occur from borrowing short term to fund long term assets or borrowing long term to fund long term assets. These activities can expose an institutions earnings and economic value of equity (EVE) to changes in market interest rate.

The measures applied by the Group in monitoring and controlling interest rate risk in the banking book includes:

Net Interest Income (NII) Sensitivity – An integral part of the Group’s management of non-traded interest rate risk is to monitor the sensitivity of expected net interest income while applying different rate scenarios (simulation modelling) where other macro-economic metrics are held constant. This monitoring is undertaken at the ALCO level. The Group applies a combination of scenarios and assumptions relevant to our peculiar businesses in forecasting one-year net interest income sensitivities across a range of interest rate scenarios.

Economic Value of Equity (EVE) - EVE represents the present value of the future banking book cash flows that could be distributed to equity providers under a managed run-off scenario, i.e. the current book value of equity plus the present value of future net interest income in this scenario. This can be used to assess the economic capital required to support interest rate risk in the banking book (IRRBB). 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial Risk Management - continued

(f) Market risks - continued

f(i) Interest Rate Risk - continued

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.

(a)

Group In millions of Naira 31 December 2024	*Notes*	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
		RATE SENSITIVITY OF ASSETS AND LIABILITIES					
Non-derivative assets:							
Due from banks	17	11,824	-	-	-	-	11,824
Loans and advances to customers	20	429,403	158,123	169,214	249,371	97,859	1,103,970
Investment securities :			-	-	-	-	
- Financial assets at fair value through profit or loss	21(a)	4,103	7,388	8,590	2,418	4,992	27,491
- Debt instruments at fair value through other comprehensive income	21(b)	165,679	21,411	91,417	71,490	135,532	485,529
- Debt instruments at amortised cost	21(d)	17,794	-	16,516	33,141	13,918	81,369
		628,803	186,922	285,737	356,420	252,301	1,710,183
Non-derivative liabilities:							
Deposits from Banks	27	16,512	-	-	-	-	16,512
Deposits from customers	28	419,398	98,978	320,421	71,045	113,671	1,023,513
Other borrowed funds & Debt securities issued	29&30	-	12,724	105,694	116,734	12,738	247,890
		435,910	111,702	426,115	187,779	126,409	1,287,915
Total interest sensitivity gap		192,893	75,220	(140,378)	168,641	125,892	422,268

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)	206,495	6,195	(6,195)
from 1 to 3 months		335	0.03	(0.03)	(11,866)	(356)	356
from 3 to 6 months		275	0.03	(0.03)	75,220	2,257	(2,257)
from 6 to 12 months		185	0.03	(0.03)	(140,378)	(4,211)	4,211
Total					129,471	3,884	(3,884)

Impact of Standardized Interest Rate Shock on Equity

Time Band		Weighting factor	Interest Rate Gap (Net Position)	Impact on Equity
Up to 1 month		0.08%	206,495	27
from 1 to 3 months		0.31%	(11,866)	(19)
from 3 to 6 months		0.68%	81,573	278
from 6 to 12 months		1.31%	(146,455)	(952)
1 years to 2 years		2.46%	39,812	423
2 years to 3 years		3.80%	85,530	1,290
3 years to 4 years		5.05%	44,670	761
4 years to 5 years		6.41%	(3,755)	(66)
5 years to 7 years		8.27%	50,824	842
7 years to 10 years		9.06%	58,575	739
10 years to 15 years		11.70%	42,689	516
15 years to 20 years		11.73%	(14,054)	(107)
More than 20 years		12.72%	(11,770)	(34)
Total			422,268	3,698

39 Financial Risk Management - continued

(f) Market Risks - continued

f(i) Interest Rate Risk - continued

RATE SENSITIVITY OF ASSETS AND LIABILITIES

	Group In millions of Naira 31 December 2023	Notes	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
(a)	**Financial assets**							
	Due from banks	17	234,953	-	-	-	-	234,953
	Loans and advances to customers	20	348,101	139,856	97,229	214,206	96,430	895,822
	Investment securities:							
	- Financial assets at fair value through profit or loss	21(a)	137	141	635	567	632	2,112
	- Debt instruments at fair value through other comprehensive income	21(b)	81,385	27,060	31,695	65,347	110,717	316,204
	- Debt instruments at amortised cost	21(d)	45,090	8,431	28,698	29,499	19,012	130,730
			709,666	175,488	158,257	309,619	226,791	1,579,821
	Financial Liabilities							
	Non-derivative liabilities:							
	Deposits from Banks	27	-	-	-	-	-	-
	Deposits from Customers	28	283,543	64,239	191,505	100,412	160,657	800,356
	Other borrowed funds & Debt securities issued	29&30	-	-	-	181,155	61,489	242,644
			283,543	64,239	191,505	281,567	222,146	1,043,000
	Total interest sensitivity gap		426,123	111,249	(33,248)	28,052	4,645	536,821

Impact of Standardized Interest Rate Shock on Earnings

Time Band		No. of Days	Upward 2%	Downward -2%	Interest Rate Gap (Net Positions)	Impact of upward movement	Impact of Downward movement
Up to 1 month		365	0.02	(0.02)	49,669	993	(993)
from 1 to 3 months		335	0.02	(0.02)	351,393	7,028	(7,028)
from 3 to 6 months		275	0.02	(0.02)	116,878	2,338	(2,338)
from 6 to 12 months		185	0.02	(0.02)	(31,483)	(630)	630
Total					486,457	9,729	(9,729)

Impact of Standardized Interest Rate Shock on Equity

Time Band		Weighting factor	Interest Rate Gap (Net Positions)	Impact on Equity
Up to 1 month		0.08%	49,669	40
from 1 to 3 months		0.31%	351,393	1,082
from 3 to 6 months		0.68%	116,878	800
from 6 to 12 months		1.31%	(31,483)	(413)
1 years to 2 years		2.46%	(109,202)	(2,689)
2 years to 3 years		3.80%	52,251	1,988
3 years to 4 years		5.05%	29,535	1,492
4 years to 5 years		6.41%	43,948	2,818
5 years to 7 years		8.27%	(19,926)	(1,648)
7 years to 10 years		9.06%	54,031	4,895
10 years to 15 years		11.70%	14,242	1,666
15 years to 20 years		11.73%	1,362	160
More than 20 years		12.72%	(11,105)	(1,412)
Total			541,593	8,779

39 Financial Risk Management - continued

(f) Market Risks - continued

f(i) Interest Rate Risk - continued

Company *In millions of Naira* 31 December 2024	*Notes*	Less than 3 months ₦'million	3-6 months ₦'million	6-12 months ₦'million	1 - 5 years ₦'million	More than 5 years ₦'million	Total ₦'million
		RATE SENSITIVITY OF ASSETS AND LIABILITIES					
Non-derivative assets:							
Due from banks	17	14,735	-	-	-	-	14,735
Loans and advances to customers	20	-	-	-	-	-	-
Investment securities:							
- Financial assets at fair value through profit or loss	21(a)	-	-	-	-	-	-
- Debt instruments at fair value through other comprehensive income	21(b)	-	-	-	-	-	-
- Debt instruments at amortised cost	21(d)	-	-	-	-	-	-
		14,735	-	-	-	-	14,735
Non-derivative liabilities:							
Deposits from Banks	27	-	-	-	-	-	-
Deposits from Customers	28	-	-	-	-	-	-
Other borrowed funds & Debt securities issued	29&30	-	-	-	-	-	-
		-	-	-	-	-	-
Total interest sensitivity gap		14,735	-	-	-	-	14,735

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)	14,735	442	(442)
from 1 to 3 months	335	0.03	(0.03)	-	-	-
from 3 to 6 months	275	0.03	(0.03)	-	-	-
from 6 to 12 months	185	0.03	(0.03)	-	-	-
Total				14,735	442	(442)

Impact of Standardized Interest Rate Shock on Equity

Time Band	Weighting factor	Interest Rate Gap (Net Positions)	Impact on Equity
Up to 1 month	0.08%	14,735	12
from 1 to 3 months	0.31%	-	-
from 3 to 6 months	0.68%	-	-
from 6 to 12 months	1.31%	-	-
1 year to 2 years	2.46%	-	-
2 years to 3 years	3.80%	-	-
3 years to 4 years	5.05%	-	-
4 years to 5 years	6.41%	-	-
5 years to 7 years	8.27%	-	-
7 years to 10 years	9.06%	-	-
10 years to 15 years	11.70%	-	-
15 years to 20 years	11.73%	-	-
More than 20 years	12.72%	-	-
Total		14,735	12

39 Financial Risk Management - continued

(f) Market Risks - continued

f(i) Interest Rate Risk - continued
Company

RATE SENSITIVITY OF ASSETS AND LIABILITIES

As at 31 December 2023 In millions of Naira		Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
Non-derivative assets:							
Due from banks	17	8,696	-	-	-	-	8,696
Loans and advances to customers	20	-	-	-	-	-	-
Investment securities:							
- Financial assets at fair value through profit or loss	21(a)	-	-	-	-	-	-
- Debt instruments at fair value through other comprehensive income	21(b)	-	-	-	-	-	-
- Debt instruments at amortised cost	21(d)	-	-	-	-	-	-
		8,696	-	-	-	-	8,696
Non-derivative liabilities:							
Deposits from Banks	27	-	-	-	-	-	-
Deposits from customers	28	-	-	-	-	-	-
Other borrowed fund & Debt securities issued	29&30	-	-	-	-	-	-
		-	-	-	-	-	-
Total interest sensitivity gap		8,696	-	-	-	-	8,696

Impact of Standardized Interest Rate Shock on Earnings

Time Band		No. of Days	Upward 2%	Downward -2%	Interest Rate Gap (Net Positions)	Impact of upward movement	Impact of Downward movement
Up to 1 month		365	0.02	-0.02	8,696	174	(174)
from 1 to 3 months		335	0.02	-0.02	-	-	-
from 3 to 6 months		275	0.02	-0.02	-	-	-
from 6 to 12 months		185	0.02	-0.02	-	-	-
Total					8,696	174	(174)

Impact of Standardized Interest Rate Shock on Equity

Time Band		Weighting factor	Interest Rate Gap (Net Position)	Impact on Equity
Up to 1 month		0.00%	8,696	7
from 1 to 3 months		0.00%	-	-
from 3 to 6 months		0.00%	-	-
from 6 to 12 months		0.00%	-	-
1 year to 2 years		0.00%	-	-
2 years to 3 years		0.00%	-	-
3 years to 4 years		0.00%	-	-
4 years to 5 years		0.00%	-	-
5 years to 7 years		0.00%	-	-
7 years to 10 years		0.00%	-	-
10 years to 15 years		0.00%	-	-
15 years to 20 years		0.00%	-	-
More than 20 years		0.00%	-	-
Total			8,696	7

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial Risk Management - continued

f(ii) Foreign Currency Risk

Foreign exchange risk is the risk that fluctuations in the prevailing foreign exchange rates would affect the value of the Group's assets and liabilities as well as off-balance sheet items. This also includes positions in local currency that are indexed to foreign exchange rate. Financial Instruments that are exposed to this risk includes; foreign currency denominated loans and advances, securities, future cash flows in foreign currencies arising from foreign currency transactions. Exposures to foreign exchange risk are consistently monitored by limit structures for overnight and intraday positions.

The ALCO sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily since an effective overview of such risk is a critical element of the Group's asset/liability risk management. The Board defines the overall risk tolerance levels and expectations for foreign exchange risk management and Management aims to ensure that the risk tolerance is maintained at prudent levels.

Foreign exchange risk is quantified using the net balance of assets and liabilities in each currency, and their total sum. This net open position is measured on a daily basis and is to be kept within set limits. The assets and liabilities include current positions, forward positions, commitments, and the market value of derivatives in a foreign currency.

The table below summarises the Group's exposure to foreign exchange risk at 31st December 2024.

(a) Foreign Currency Concentrations risk as at 31 December 2024

Group

In millions of Naira	Naira	Dollar	GBP	Euro	Others	Total
Assets						
Cash and balance with Central Bank of Nigeria	846,913	15,067	3,137	2,008	-	867,125
Due from other banks	11,771	375,328	9,972	172,022	362	569,455
Financial assets pledged as collateral	27,653	1,022	-	-	-	28,675
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customer	731,324	372,125	397	124	-	1,103,970
Financial assets at fair value through profit or loss	23,850	3,641	-	-	-	27,491
Debt instruments at fair value through other comprehensive income	425,320	54,575	-	5,634	-	485,529
Equity instruments at fair value through other comprehensive income	27,176	21,459	-	-	-	48,635
Debt instruments at amortised cost	81,369	-	-	-	-	81,369
Other assets	101,826	118,221	(51)	(32)	-	219,964
Total financial assets (A)	2,277,202	961,438	13,455	179,756	362	3,432,213
Liabilities						
Due to banks	49,364	-	-	-	-	49,364
Due to customers	1,645,996	694,444	13,257	164,815	-	2,518,512
Debts issued and other borrowed funds	125,791	122,099	-	-	-	247,890
Other financial liabilities	114,007	266,428	555	15,411	326	396,727
Total financial liabilities (B)	1,935,158	1,082,971	13,812	180,226	326	3,212,493
Net financial assets/ (liabilities)	342,044	(121,533)	(357)	(470)	36	219,720

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	(121,533)	(357)	(470)	(122,360)
Closing Exchange Rate (Naira/Currency)	1,549	1,939	1,603	
10% Currency Appreciation (-)	1,394	1,745	1,443	
10% Currency Depreciation (+)	1,704	2,133	1,764	
Effect of 10% appreciation on Profit	12,153	36	47	12,236
Effect of 10% depreciation on Profit	(12,153)	(36)	(47)	(12,236)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

f(ii) Foreign currency risk - continued

Group

31 December 2023

In millions of Naira **Assets**	Naira	Dollar	GBP	Euro	Others	Total
Cash and balance with Central Bank of Nigeria	577,643	24,871	1,140	945	-	604,599
Due from other banks	1,015	182,729	7,991	42,300	918	234,953
Financial assets to maturity pledged as colleteral	11,272	-	-	-	-	11,272
Derivative financial assets	-	276	-	-	-	276
Loans and advances to customers	565,610	327,518	1	2,693	-	895,822
Financial assets measured at fair value through profit or loss	2,112	-	-	-	-	2,112
Financial assets at fair value through other comprehensive income	240,069	72,416	-	3,719	-	316,204
Equity instruments at fair value through other comprehensive income	30,799	17,836	-	-	-	48,635
Financial investment at amortized cost	130,730	-	-	-	-	130,730
Other assets	118,252	123,886	(25)	(11)	8	242,110
Total financial assets (A)	1,677,502	749,532	9,107	49,646	926	2,486,713
Liabilities						
Due to banks	-	-	-	-	-	-
Due to customers	1,357,534	429,192	8,242	47,847	-	1,842,815
Debt issued and other borrowed funds	149,260	93,384	-	-	-	242,644
Other financial liabilities	40,180	215,205	566	1,055	904	257,910
Total financial liabilities (B)	1,546,974	737,781	8,808	48,902	904	2,343,369
Net financial assets/ (liabilities)	130,528	11,751	299	744	22	143,344

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	11,751	299	744	12,794
Closing Exchange Rate(Naira/Currency)	952	1,211	1,052	
1% Currency Appreciation(-)	857	1,090	946	
1% Currency Depreciation(+)	1,047	1,332	1,157	
Effect of 1% appreciation on Profit	(1,175)	(30)	(74)	(1,279)
Effect of 1% depreciation on Profit	1,175	30	74	1,279

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

f(ii) Foreign currency risk

(a) Foreign Currency Concentrations Risk as at 31 December 2024

Company

31 December 2024						
In millions of Naira	Naira	Dollar	GBP	Euro	Others	Total
Cash and balance with Central Bank of Nigeria	-	-	-	-	-	-
add un-restricted balance	-	-	-	-	-	-
Due from other banks	14,735	-	-	-	-	14,735
Financial assets to maturity pledged as colleteral	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	-	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-	-
- Debt instruments at fair value through other comprehensive income	-	-	-	-	-	-
Debt instrument at amortised cost	-	-	-	-	-	-
Other assets	5,632	-	-	-	-	5,632
Total financial assets (A)	20,367	-	-	-	-	20,367
Liabilities						
Due to banks	-	-	-	-	-	-
Due to customers	-	-	-	-	-	-
Debt issued and other borrowed funds	-	-	-	-	-	-
Other financial liabilities	717	-	-	-	-	717
Total financial liabilities (B)	717	-	-	-	-	717
Net financial assets/ (liabilities)	**19,650**	-	-	-	-	**19,650**

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	-	-	-	-
Closing Exchange Rate (Naira/Currency)	1,549	1,939	1,603	
10% Currency Appreciation (-)	1,394	1,745	1,443	
10% Currency Depreciation (+)	1,704	2,133	1,764	
Effect of 10% appreciation on Profit	-	-	-	-
Effect of 10% depreciation on Profit	-	-	-	-

39 Financial Risk Management - continued

f(ii) Foreign currency risk

In millions of Naira	Naira	Dollar	GBP	Euro	Others	Total
31 December 2023						
Assets						
Cash and balance with Central Bank of Nigeria	-	-	-	-	-	-
add un-restricted balance	-	-	-	-	-	-
Due from other banks	8,696	-	-	-	-	8,696
Financial assets to maturity pledged as colleteral	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	-	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-	-
- Debt instruments at fair value through other comprehensive inc	-	-	-	-	-	-
Debt instrument at amortised cost	-	-	-	-	-	-
Other assets	411	-	-	-	-	411
Total financial assets (A)	9,107	-	-	-	-	9,107
Liabilities						
Due to banks	-	-	-	-	-	-
Due to customers	-	-	-	-	-	-
Debt issued and other borrowed funds	-	-	-	-	-	-
Other financial liabilities	612	-	-	-	-	612
Total financial liabilities (B)	612	-	-	-	-	612
Net financial assets/ (liabilities)	8,495	-	-	-	-	8,495

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	-	-	-	-
Closing Exchange Rate (Naira/Currency)	952	1,211	1,052	-
1% Currency Appreciation (-)	857	1,090	946	-
1% Currency Depreciation (+)	1,047	1,332	1,157	-
Effect of 1% appreciation on Profit	-	-	-	-
Effect of 1% depreciation on Profit	-	-	-	-

39 Financial risk management - continued

(g) Operational Risk Management

Operational risk in the Group is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risks.

Operational risk exists in all activities, processes, products and systems. The Group aims to maintain operational risk within its risk appetite through a strategy anchored on the sustenance of a strong risk culture of individual and collective awareness and understanding of operational risk, accountability and transparency on operational risk issues at all levels, deployment of robust operational risk policies, processes and tools, and collaboration across all the business units and support functions in managing operational risk.

Operational Risk Governance Structure

Operational risk is managed in the Group along three lines of defense. The first line consists of the business units who own and are directly responsible for managing the risk. They identify and report operational risks in their activities and communicate these risks to the second line of defense which includes the independent risk management and control functions. This line formulates the risk management policies, processes and tools, and provides support in enhancing and monitoring the effectiveness of controls in the business units and support functions, while the third line of defense, the Internal Audit department, provides independent assurance on the adequacy, appropriateness and effectiveness of the risk management policies and processes 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.

39 Financial risk management - continued

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.

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.

39 Financial risk management - continued

(g) Operational Risk Management - continued

Operational Risk Capital Charge

The Group uses the Basic Indicator Approach for computing the capital charge for operational risk in line with regulatory

31 December 2024

Nature of item	capital charge factor	First year	Second year	Third year	Aggregate Gross Income (years 1 to 3)	Capital charges
In millions of Naira						
Basic Indicator Approach (BIA)						
Gross Income	15%	116,892	140,150	201,536	458,578	68,787
Number of years with positive annual gross income						3
Mean Average of Aggregate Capital						22,929
Calibrated Risk Weighted Amount (BIA)						286,611

31 December 2023

Nature of item	capital charge factor	First year	Second year	Third year	Aggregate Gross Income (years 1 to 3)	Capital charges
In millions of Naira						
Basic Indicator Approach (BIA)						
Gross Income	15%	98,754	116,892	139,132	354,778	53,217
Number of years with positive annual gross income						3
Mean Average of Aggregate Capital						17,739
Calibrated Risk Weighted Amount (BIA)						221,736

(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 Group'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.

39 Financial risk management - continued

(h) Capital management - continued

(a) Regulatory capital - continued

The CBN in its circular BSD/DIR/GEN/LAB/07/021 effective 5 August 2014 informed 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 2024 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.

The Group, in line with the directives from the Central Bank of Nigeria (CBN), has adopted the following approaches for its Pillar 1 capital calculations:

- Credit Risk – Standardised Approach
- Market Risk – Standardised Approach
- Operational Risk – Basic indicator approach, which is 15% of the average gross income for the past 3 year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(h) Capital management - continued

(b) Capital Adequacy Ratio - continued

Constituents of Capital		Group 2024	Group 2023
In millions of Naira			
Tier 1 capital	***Note***		
Paid- up share capital	32.1	22,729	14,395
Share premium		108,292	42,759
General reserve (Retained earnings)		63,073	44,621
SMEEIS reserve		235	235
AGSMEIS reserve		6,523	4,489
Statutory reserve		39,596	31,982
Other reserves		5,276	5,276
Tier 1 Capital Before Regulatory Deduction		245,724	143,757
Regulatory Deduction			
Deferred tax assets		(13,018)	(9,507)
Other intangible assets		(3,263)	(721)
Total Regulatory Deduction		(16,281)	(10,228)
Tier 1 Capital after Regulatory Deduction		229,443	133,529
Tier 2 capital: Instruments & Reserves			
Sub- ordinated debt *		4,056	8,112
Other comprehensive income		23,049	19,036
Eligible Tier 2 Capital		27,105	27,148
Total regulatory capital		256,548	160,677
Risk-weighted assets		1,663,140	1,267,282
Total tier 1 and tier 2 capital expressed as a percentage of risk-weighted assets		15.43%	12.68%

*Recognition of capital instrument in Tier 2 capital in its final five years to maturity is amortized on a straight-line basis by 20% per annum.

Description of Tier 2 Capital (Sub-ordinated debt)

Particulars	Place	**Issue date**	**Date of maturity**	**Coupon rate**	**N'million**
Non- convertible debenture stock	Nigeria	5 October 2018	5 October 2025	16.25%	34,056

Internal Capital Adequacy Assessment Process (ICAAP)

The Group 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 Group's banking subsidiaries 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 Banks' business and sets out the Banks' philosophy, processes, and techniques for managing risks across the Banks. 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 Banks' governance structure, and policies that support risk and capital management systems.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(h) Capital management - continued

(b) Capital Adequacy Ratio - continued

Internal Capital Adequacy Assessment Process (ICAAP)

Risk Weighted Assets and Capital Requirement per Credit Exposure

S/N	Exposure	Risk Weighted Assets	Capital requirements
	In millions of Naira		
1	Credit Risk		
1.01	Sovereign	-	-
1.02	Public Sector Entities	-	-
1.03	State and Local Government	1,389	142
1.04	Multilateral Development Bank		
1.05	Supervised Institutions		
1.06	Corporate and Other Persons	190,301	19,425
1.07	Regulatory Retail Portfolio	617,181	63,000
1.08	Secured by Mortgages on Residential Properties	70,498	7,196
1.09	Exposures Secured by Mortgages on Commercial Real Estates	49,605	5,064
1.10	Past Due	94,073	9,603
1.11	Higher Risk Exposures	37,305	3,808
1.12	Other Balance Sheet Exposures	72,954	7,447
1.13	Off Balance Sheet Exposures	209,558	21,391
1.14	Regulatory Adjustment	32,000	3,266
		-36,386	0
2	Market risk		
2.01	Interest Rate Risk	4,977	398
2.02	Foreign Exchange Risk	33,073	2,646
3	Operational risk		
3.01	Basic Indicator Approach	286,611	22,929
4	Capital Adequacy Ratio		
4.01	Tier 1 Capital Adequacy Ratio	13.80%	
4.02	Total Capital Adequacy Ratio	15.43%	

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(h) Capital management - continued

(iii) Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Bank to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Bank's longer term strategic objectives.

40 Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled as at 31 December 2024.

- Group

Maturity analysis of assets and liabilities **31 December 2024** Assets	**Less than 3 months**	**3-6 months**	**6-12 months**	**1 - 5 years**	**More than 5 years**	**Total**
Cash and balances with Central Bank of Nigeria	90,038	-	777,087	-	-	867,125
Due from banks	569,455	-	-	-	-	569,455
Pledged assets	16,324	2,801	9,321	229	-	28,675
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	431,100	157,725	168,788	248,744	97,613	1,103,970
Investment in securities:	-	-	-	-	-	
- Financial assets at fair value through profit or loss	25,516	141	635	567	632	27,491
- Debt instruments at fair value through other comprehensive income	165,679	21,411	91,417	71,490	135,532	485,529
- Equity instruments at fair value through other comprehensive income	-	-	-	-	48,635	48,635
- Debt instruments at amortised cost	17,794	-	16,516	33,141	13,918	81,369
Other assets	164,007	26,298	2,596	27,063	-	219,964
Total	1,479,913	208,376	1,066,360	381,234	296,330	3,432,213

- Group

In millions of Naira Liabilities	**Less than3 months**	**3-6 months**	**6-12 months**	**1 - 5 years**	**More than 5 years**	**Total**
Deposits from bank	49,364	-	-	-	-	49,364
Deposits from customers	1,010,145	238,394	771,751	191,624	306,598	2,518,512
Debts issued and other borrowed funds	-	43,776	119,649	71,165	13,300	247,890
Other liabilities	396,164	-	563	-	-	396,727
Total	1,455,673	282,170	891,963	262,789	319,898	3,212,493
Net	24,240	(73,794)	174,397	118,445	(23,568)	219,720

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

40 Maturity Analysis of Assets and Liabilities - continued

In millions of Naira	Less than3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
31 December 2023						
Cash and balances with Central Bank of Nigeria	156,922	-	447,677	-	-	604,599
Due from banks	234,953	-	-	-	-	234,953
Pledged assets	1	5,442	5,599	-	230	11,272
Derivative financial assets	276	-	-	-	-	276
Loans and advances to customers	348,101	139,856	97,229	214,206	96,430	895,822
Investment in securities:	-	-	-	-	-	-
- Financial assets at fair value through profit or loss	137	141	635	567	632	2,112
- Debt instruments at fair value through other comprehensive income	81,385	27,060	31,695	65,347	110,717	316,204
- Equity instruments at fair value through other comprehensive income	-	-	-	-	36,906	36,906
- Debt instruments at amortised cost	45,090	8,431	28,698	29,499	19,012	130,730
Other assets	78,436	43,706	69,927	12,510	37,531	242,110
Total	945,301	224,636	681,460	322,129	301,458	2,474,984
Deposits from bank	-	-	-	-	-	-
Deposits from customers	615,259	122,709	397,244	272,155	435,448	1,842,815
Debts issued and other borrowed funds	22,438	-	-	158,717	61,489	242,644
Other liabilities	26,111	41,634	66,613	30,888	92,664	257,910
Total	663,808	164,343	463,857	461,760	589,601	2,343,369
Net	281,493	60,293	217,603	(139,631)	(288,143)	131,615

- Company

31 December 2024 **Maturity analysis of assets and liabilities** **In millions of Naira** Assets	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
Cash and balances with Central Bank of Nigeria	-	-	-	-	-	-
Due from banks	14,735	-	-	-	-	14,735
Pledged assets	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	-	-	-	-	-	-
Investment in securities :	-	-	-	-	-	
- Financial assets at fair value through profit or loss	-	-	-	-	-	-
- Debt instruments at fair value through other comprehensive income	-	-	-	-	-	-
- Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-
- Debt instruments at amortised cost	-	-	-	-	-	-
Other assets	5,632	-	-	-	-	5,632
Total	20,367	-	-	-	-	20,367
Deposits from banks	-	-	-	-	-	-
Deposits from customers	-	-	-	-	-	-
Debts issued and other borrowed funds	-	-	-	-	-	-
Other liabilities	717	-	-	-	-	717
Total	717	-	-	-	-	717
Net	19,650	-	-	-	-	19,650

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

40 Maturity Analysis of Assets and Liabilities - continued

Bank

31 December 2023 In millions of Naira Maturity analysis of assets and liabilities	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
Cash and balances with Central Bank of Nigeria	-	-	-	-	-	-
Due from banks	8,696	-	-	-	-	8,696
Pledged assets	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	-	-	-	-	-	-
Investment in securities :	-	-	-	-	-	
- Financial assets at fair value through profit or loss	-	-	-	-	-	-
- Debt instruments at fair value through other comprehensive income	-	-	-	-	-	-
- Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-
- Debt instruments at amortised cost	-	-	-	-	-	-
Investment in subsidiary	-	-	-	-	-	-
Other assets	411	-	-	-	-	411
Total	9,107	-	-	-	-	9,107
Deposits from banks	-	-	-	-	-	-
Deposits from customers	-	-	-	-	-	-
Debts issued and other borrowed funds	-	-	-	-	-	-
Other liabilities	612	-	-	-	-	612
Total	612	-	-	-	-	612
Net	8,495	-	-	-	-	8,495

41 Fair Value of financial instruments

The Group's accounting policy on fair value measurements is discussed under note 2.2.19. The Group measures fair values using the following fair value hierarchy that reflects the nature and process used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using inputs that are not based on observable market data, i.e., unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair value measurement hierarchy for assets & liabilities as at 31 December 2024:

- GROUP

In millions of Naira	Note	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Pledged assets – FVOCI	18.1	18,112	-	-	18,112
Debt instruments at FVTPL	21(a)	27,491	-	-	27,491
Debt instruments measured at FVOCI	21(b)	485,529	-	-	485,529
Equity instruments at fair value through other comprehensive income	21(c)	-	-	48,635	48,635
Assets for which fair value are disclosed					
Due from banks		569,455	-	-	569,455
Pledged assets at Amortised cost		10,563	-	-	10,563
Loans and advances to customers		-		1,082,258	1,082,258
Debt instruments at amortised cost		79,589	-	-	79,589
Liabilities for which fair values are disclosed:					
Deposits from banks		49,364	-	-	49,364
Deposits from customers		-	-	2,518,512	2,518,512
Other borrowed funds		-	-	174,749	174,749
Debt securities issued		31,549	-		31,549
- 31 December 2023					
Pledged assets – FVOCI	18.1	13,281	-	-	13,281
Debt instruments at FVTPL	21(a)	921	-	-	921
Debt instruments measured at FVOCI	21(b)	230,636	-	-	230,636
Equity instruments at fair value through other comprehensive income	21(c)	-	-	25,227	25,227
Assets for which fair value are disclosed			-		
Due from banks		86,459	-	-	86,459
Pledged assets at Amortised cost		9,817	-	-	9,817
Loans and advances to customers		-		557,364	557,364
Debt instruments at amortised cost		70,874	-	-	70,874
Liabilities for which fair values are disclosed:					
Deposits from banks		37,178	-	-	37,178
Deposits from customers		-	-	1,264,441	1,264,441
Other borrowed funds		-	-	113,795	113,795
Debt securities issued		-	30,839		30,839

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

41 Fair Value of financial instruments- continued

Fair value measurement hierarchy for assets & liabilities as at 31 December 2024

- COMPANY

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	21(a)	-	-	-	-
Debt instruments measured at FVOCI	21(b)	-	-	-	-
Equity instruments at fair value through other comprehensive income	21(c)	-	-	-	-
Assets for which fair value are disclosed					
Due from banks		14,735	-	-	14,735
Pledged assets at amortised cost		-	-	-	-
Loans and advances to customers		-		-	-
Debt instruments at amortised cost		-	-	-	-
Liabilities for which fair values are disclosed:					
Deposits from banks		-	-	-	-
Deposits from customers		-	-	-	-
Other borrowed funds		-	-	-	-
Debt securities issued		-	-	-	-

- 31 December 2023

Assets measured at fair value					
Pledged assets – FVOCI	18.1	-	-	-	-
Debt instrument at FVTPL	21(a)	-	-	-	-
Debt instrument measured at FVOCI	21(b)	-	-	-	-
- Equity instruments at fair value through other comprehensive income	21(c)	-	-	-	-
Assets for which fair value are disclosed					
Due from banks		8,696	-	-	8,696
Pledged assets at Amortised cost		-	-	-	-
Loans and advances		-	-	-	-
Debt instrument at Amortised cost		-	-	-	-
Liabilities for which fair values are disclosed:					
Deposits from banks		-	-	-	-
Deposits from customers		-	-	-	-
Other borrowed funds		-	-	-	-
Debt securities issued		-	-	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

41 Fair Value of financial instruments - continued

Group

In millions of Naira	Carrying amount		Fair value amount	
	2024	**2023**	**2024**	**2023**
Financial assets				
Cash and balances with Central Bank of Nigeria	867,125	604,599	867,125	604,599
Due from banks	569,455	234,953	569,455	234,953
Pledged assets	28,675	11,272	28,675	11,272
Derivative financial assets	-	276	-	276
Loans and advances to customers	1,103,970	895,822	1,082,258	748,131
Investment in securities:				
- Financial assets at fair value through profit or loss	27,491	2,112	27,491	2,112
- Debt instruments at fair value through other comprehensive income	485,529	316,204	485,529	316,204
- Equity instruments at fair value through other comprehensive income	48,635	36,906	48,635	36,906
- Debt instruments at amortised cost	81,369	130,730	79,589	125,768
Total	3,212,249	2,232,874	3,188,757	2,080,221
Financial liabilities				
Deposits from banks	49,364	-	49,364	-
Deposits from customers	2,518,512	1,842,815	2,518,512	1,688,285
Other borrowed funds	213,834	208,685	174,749	181,722
Debt securities issued	34,056	33,959	31,549	26,878
Customer deposits for foreign trade	266,750	135,060	266,750	135,060
Creditors and accruals	53,665	18,295	53,665	18,295
Total	3,136,181	2,238,814	3,094,589	2,050,240

Company

In millions of Naira	Carrying amount		Fair value amount	
	2024	**2023**	**2024**	**2023**
Financial assets				
Cash and balances with Central Bank of Nigeria	-	-	-	-
Due from banks	14,735	8,696	14,735	8,696
Pledged assets	-	-	-	-
Derivative financial assets	-	-	-	-
Loans and advances to customers	-	-	-	-
Investment in securities:				
- Financial assets at fair value through profit or loss	-	-	-	-
- Debt instruments at fair value through other comprehensive income	-	-	-	-
- Equity instruments at fair value through other comprehensive income	-	-	-	-
- Debt instruments at amortised cost	-	-	-	-
Total	14,735	8,696	14,735	8,696
Financial liabilities				
Deposits from banks	-	-	-	-
Deposits from customers	-	-	-	-
Other borrowed funds	-	-	-	-
Debt securities issued	-	-	-	-
Customer deposits for foreign trade	-	-	-	-
Creditors and accruals	66	19	66	19
Total	66	19	66	19

41 Fair Value of financial instruments - continued

The following methods and assumptions were used to estimate the fair values:

Assets for which fair value approximates carrying value

The management assessed that cash and balances with Central Bank of Nigeria, creditors & accruals and customer deposit for foreign trade approximate their carrying amounts largely due to the short-term maturities of these instruments. For financial assets and financial liabilities that are without a specific maturity; it is assumed that the carrying amounts approximates their fair value.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the quoted bonds and treasury bills are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The fair values of the remaining FVOCI financial assets are measured using quoted market prices in active markets which are adjusted for using the accrued interest to date.

The fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The non-performance risk as at 31 December 2024 was assessed to be insignificant.

For loans and advances, a discounted cash flow model is used based on various fair value of the loan portfolio by discounting the future cash flows on these loans using interest rates on loans and remaining days to maturity of each of the cash flows.

The fair value of fixed rate financial assets and liabilities carried at amortized cost are estimated by comparing market interest rates when they were first recognized with current market rates for similar financial instruments. The estimated fair value of fixed interest bearing deposits and debt issued are based on discounted cash flows using prevailing money-market interest rates for deposits and debts with similar credit risk and maturity.

Unobservable inputs used in measuring fair value

The table below sets out information about significant unobservable inputs used as at 31 December 2024 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Type of financial instrument	Fair value as at 31 December 2024 N'million	Fair value as at 31 December 2023 N'million	Valuation technique	Unobservable input	Range of estimates for unobservable inputs (31 December 2024)	Range of estimates for unobservable inputs (31 December 2023)	Relationship of unobservable inputs to fair value
Unquoted Equity	48,635	36,906	P/BV and EV/EBITDA	P/BV multiples	0.78x - 1.46x	0.72x - 2.34x	Significant increase in P/BV, would result in higher fair values. Significant reduction would result in lower fair values
				EV/EBITDA multiples	9.70x - 28.52x	16.27x - 38.73x	Significant increase in EV/EBITDA, would result in higher fair values. Significant reduction would result in lower fair values
			Discounted Cashflow (DCF)	Weighted Average Cost of Capital (WACC)	22.5% - 25.5%	-	Significant increase in WACC, would result in lower fair values. Significant reduction would result in higher fair values.
				Terminal Growth Rate (TGR)	4% - 5%	-	Significant increase in TGR, would result in higher fair values. Significant reduction would result in lower fair values.

The table below sets out information about significant unobservable inputs used as at 31 December 2024 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Key Assumption	Effect on Other Comprehensive Income			
	Dec. 2024		Dec. 2023	
	5% Increase	5% Decrease	5% Increase	5% Decrease
	N'million	N'million	N'million	N'million
P/BV and EV/EBITDA multiples	1,838	(1,838)	1,263	(1,263)
Key Assumption	14% Increase	14% decrease	14% Increase	14% decrease
	N'million	N'million	N'million	N'million
Discounted Cash Flow (DCF)	445	(445)	-	-

43(b) Report to the CBN on Fraud and Forgeries

In line with Section 5.1.2 (L) of the CBN Code of Corporate Governance, the breakdown of fraud and forgeries for the year is presented below:

Group

	2024	2023
Number of fraud incidents	31	18
Amount involved (N'000)	830,633	1,315,712
Amount involved ($'000)	0	0
Actual/Expected Loss (N'000)	810,941	647,754
Actual/Expected Loss ($'000)	0	0

44 Card Usage data

In line with the Central Bank of Nigeria guidelines for card issuance and usage in Nigeria, Section 11.0, the report on card issuance and usage for the year ended 31 December 2024 is set out below:

Group

	31 December 2024		31 December 2023	
Product	Volume	Value ₦'million	Volume	Value ₦'million
Visa	914	1,564	468	2,696
Mastercard	88,363	312,556	64,002	206,149
Verve	526,952	2,216,280	391,340	1,443,470

45 Whistle Blowing

The Group complied with the provisions of CBN circular FPR/DIR/CIR/GEN/01/004, Code of Corporate Governance for Banks and Discount Houses in Nigeria and Guidelines for Whistle Blowing in Nigeria Banking Industry, for the year ended 31 December 2024.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

43(b) Report to the CBN on Fraud and Forgeries

In line with Section 5.1.2 (L) of the CBN Code of Corporate Governance, the breakdown of fraud and forgeries for the year is presented below:

Group

	2024	2023
Number of fraud incidents	31	18
Amount involved (N'000)	830,633	1,315,712
Amount involved ($'000)	0	0
Actual/Expected Loss (N'000)	810,941	647,754
Actual/Expected Loss ($'000)	0	0

44 Card Usage data

In line with the Central Bank of Nigeria guidelines for card issuance and usage in Nigeria, Section 11.0, the report on card issuance and usage for the year ended 31 December 2024 is set out below:

Group

	31 December 2024		31 December 2023	
Product	Volume	Value ₦'million	Volume	Value ₦'million
Visa	914	1,564	468	2,696
Mastercard	88,363	312,556	64,002	206,149
Verve	526,952	2,216,280	391,340	1,443,470

45 Whistle Blowing

The Group complied with the provisions of CBN circular FPR/DIR/CIR/GEN/01/004, Code of Corporate Governance for Banks and Discount Houses in Nigeria and Guidelines for Whistle Blowing in Nigeria Banking Industry, for the year ended 31 December 2024.

46 Non-Audit Services

During the year, the Group's auditor, Deloitte & Touche, provided the following permissible non-audit services to the Bank:

Description of the service	***In millions of Naira***	**2024**
i) Independent Assessment of the Risk Management Function		9.35
ii) Independent review of Corporate Governance		5.65
iii) Independent review and attestation of Internal Control over Financial Reporting (ICFR)		56.90

In the Group'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.

OTHER NATIONAL DISCLOSURES

STATEMENTS OF VALUE ADDED

	Group				Company			
	2024		**2023**		**2024**		**2023**	
In millions of Naira		%		%		%		%
Gross earnings	337,192		221,773		14,044		14,895	
Interest expense	(124,012)		(72,718)		-		-	
	213,180		149,055		14,044		14,895	
Net impairment	(10,784)		(12,335)		-		-	
Bought-in-materials and services -local	(123,265)		(86,231)		(1,803)		(1,490)	
Value added	79,131	100	50,489	100	12,241	100	13,405	100
Applied to pay:								
Employee as wages, salaries and pensions	31,327	40	22,982	45	687	6	267	2
Income taxes	(1,496)	-2	1,109	2	1,075	9	9	-
Retained in business:								
Depreciation and amortisation	5,625	7	4,814	10	80	1	22	-
Profit for the year	43,675	55	21,584	43	10,399	84	13,107	98
	79,131	100	50,489	100	12,241	100	13,405	100

Value added is the wealth created by the efforts of the Group and its employees. This statement shows the allocation of that wealth among the employees, shareholders, government and amount re-invested for creation of further wealth.

OTHER NATIONAL DISCLOSURES

FIVE-YEAR FINANCIAL SUMMARY - GROUP

	31 DECEMBER				
	2024	**2023**	**2022**	**2021**	**2020**
	STERLING FINANCIAL HOLDING COMPANY PLC		**STERLING BANK PLC**		
In millions of Naira				**Restated***	**Restated***
ASSETS					
Cash and balances with Central Bank of Nigeria	867,125	604,599	431,488	370,873	303,314
Due from other banks	569,455	234,953	86,459	94,850	21,084
Pledged assets	28,675	11,272	23,098	10,786	34,860
Derivative financial assets	-	276	807	-	-
Loans and advances to customers	1,103,970	895,822	737,735	711,900	596,827
Investment securities:		-	-	-	-
- Financial assets at fair value through profit or loss	27,491	2,112	921	10,237	1,454
- Debt instruments at fair value through other comprehensive income	485,529	316,204	230,636	168,847	135,780
- Equity instruments at fair value through other comprehensive income	48,635	36,906	25,227	17,956	10,745
- Debt instruments at amortised cost	81,369	130,730	106,889	102,225	110,229
- Available for sale	-	-	-	-	-
- Held to maturity	-	-	-	-	-
Other assets	219,964	242,110	171,911	96,554	37,874
Property, plant and equipment	56,974	31,987	17,913	16,939	15,956
Right-of-use asset	12,106	9,103	8,342	8,141	8,319
Investment property	4,036	4,790	5,584	6,918	8,004
Intangible assets	3,263	721	950	1,081	1,582
Deferred tax assets	33,348	9,507	7,005	6,971	6,971
	3,541,940	2,531,092	1,854,965	1,624,278	1,292,999
Non-current assets held for sale	-	-	3,027	-	-
TOTAL ASSETS	**3,541,940**	**2,531,092**	**1,857,992**	**1,624,278**	**1,292,999**
LIABILITIES					
Deposits from banks	49,364	-	37,178	15,568	21,289
Deposits from customers	2,518,512	1,842,815	1,327,805	1,208,753	950,835
Current income tax liabilities	3,382	1,468	1,607	1,074	551
Other borrowed funds	213,834	208,685	133,270	116,450	86,367
Debt securities issued	34,056	33,959	42,388	42,327	42,274
Other liabilities	396,727	257,910	160,257	102,367	61,552
Provisions	576	724	1,489	1,180	454
Deferred tax liabilities	20,330	1,927	-	-	-
TOTAL LIABILITIES	3,236,781	2,347,488	1,703,994	1,487,719	1,163,322
NET ASSETS	**305,159**	**183,604**	**153,998**	**136,559**	**129,677**
EQUITY					
Share capital	22,729	14,395	14,395	14,395	14,395
Share premium	108,292	42,759	42,759	42,759	42,759
Retained earnings	63,073	42,506	44,922	34,341	25,278
Other components of equity	111,065	83,944	51,922	45,064	47,245
Attributable to equity holders of the Bank	**305,159**	**183,604**	**153,998**	**136,559**	**129,677**
Other Commitments and Contingencies	352,549	405,642	253,220	222,430	175,287

PROFIT OR LOSS ACCOUNT	**2024**	**2023**	**2022**	**2021**	**2020**
In millions of Naira				**Restated***	
Gross earnings	337,192	221,773	175,140	150,153	135,835
Profit before income tax expense	45,862	22,693	20,757	16,062	12,372
Income tax expense	(2,187)	(1,109)	(1,459)	(1,040)	(1,130)
Profit after tax	43,675	21,584	19,298	15,022	11,242
Earning per share in Kobo (Basic/Diluted)	151k	75k	67k	52k	39k
Dividend per share in Kobo	18k	0k	15k	10k	5k

Basic Information

Sterling Financial Holdings Company **Management**

Yemi Odubiyi
Group Chief Executive

Olayinka Oni
Group Chief Operating Officer

Adebimpe Olambiwonnu
Group Chief
Financial Officer

Olufunmilayo Lewis
Group Chief
Risk Officer

Ibidapo Martins
Group Chief
Marketing Officer

Temi Dalley
Group Executive, Human Capital and
Corporate Services

Adewunmi Oluremi
Group Head
Sterling Academy

Kehinde Dada
Group Head, Portfolio Management
and Risk Analytics

Alternative Bank
Management

Hassan Yusuf
Managing Director/CEO

Korede Demola-Adeniyi
Executive Director

Garba Mohammed
Executive Director

Fatai Tella
Chief Operating Officer

Olugbenga Awe
Group Head, Structured Trade & Commodities Finance

Mohammed Mustapha
Chief Risk Officer

Sterling Bank Limited
Management

Abubakar Suleiman
Managing Director/Chief Executive Officer

Tunde Adeola
Executive Director, Commercial & Institutional Banking

Raheem Owodeyi
Executive Director, Risk Management & Compliance/ECO

Dele Faseemo
Group Executive, Corporate & Invesment Banking

Temitayo Adegoke
COO/Group Executive, Legal & Corporate Services

Obinna Ukachukwu
Group Executive, Consumer & Business Banking

Akporee Idenedo
Divisional Head, Commercial Banking

Ojiugo Emeruem
Chief Experience Officer

Kashetolulope Lawal
Group Head FMCG, Manufacturing & Telecoms

Sterling Bank Limited Management (cont'd)

Taiwo Aluko
Chief Information Officer

Anwuli Femi-Pearse
Group Head, Treasury & ALM

Olushola Obikanye
Group Head, Agric Finance & Solid Minerals

Edward Onwubuya
Acting Chief Audit Executive

Taiwo Adewunmi-Oni
Group Head, Trade Services

Edward Ogunmekan
Chief Growth Officer

Joseph Ikpo
Divisional Head, Institutional Banking

Olumuyiwa Ogunsanya
Group Head, Emerging Corporates

Abubakar Soyemi
Group Head, Channel Operations

Sterling Bank Limited Management (cont'd)

Oyewole Giwa
Group Head, Conduct & Compliance Monitoring

Olufunke Usalo
Group Head, Asset Growth

Olutoye Ambekemo
Acting Chief Risk Officer

Oame Airauhi
Group Head, Transaction Banking & Corporate Solutions

Mohammed Baba
Group Head, Government Affairs

Bisi Oduba
Group Head, Energy

Olawole Omotosho
Group Head, Engineering

Branch List

STERLING BANK LTD.

S/N	BRANCHES	STATE	ADDRESS
1	**HEAD OFFICE**	**Lagos**	**20, MARINA LAGOS**
	ABUJA		
2	Mamman Kontagora - Area 3	Abuja	450, Mamman Kontagora Close Area 3, Garki
3	Sterling Boulevard - CBD	Abuja	Plot 1083 Muhammad Buhari Way, CBD, Abuja
4	Seda Close - Area 8	Abuja	17, Sheda Close Area 8 Garki
5	National Assembly (NASS)	Abuja	SB 67 National Assembly Complex
6	Conoil -Utako	Abuja	Zitel Plaza, Utako District, Abuja
	LAGOS ISLAND 1		
7	Idumota	Lagos	99, Enu-Owa Street ,Idumota Lagos
8	Igbosere	Lagos	198, Igbosere Road, Obalende, Lagos Island
9	Oke-Arin 1	Lagos	37b, John Street, Oke Arin
10	Idumagbo	Lagos	106, Iga-iduganran Street
11	Sura	Lagos	Blk 11 Suite 3 Sura Shopping Complex
12	Oke-Arin 2	Lagos	4, Issa Williams Street, Oke Arin, Lagos State
	LAGOS ISLAND 2		
13	Adetokunbo Ademola 1	Lagos	30, Adetokunbo Ademola Street V/Island
14	Ikoyi 1	Lagos	228, Awolowo Rd Ikoyi Lagos
15	Private Banking	Lagos	9B, Wole Olateju Street, off Admiralty Way, Lekki Phase 1
16	Lekki	Lagos	Agungi Bus Stop Bakky Plaza Lekki
17	Epe	Lagos	Epe LGA Secretariat, Itamarun, Epe
18	Ikota	Lagos	Shop 14/15 Blk F Ikota Shopping Complex Ajah
19	Ikoyi 2	Lagos	114, Awolowo Road, Ikoyi, Lagos
20	Adeola Odeku	Lagos	Plot 300 Adeola Odeku Street, V/Island Lagos
	LAGOS MAINLAND 1		
21	Tin-Can	Lagos	10, Tincan Island Port Rd, Apapa Lagos
22	Lasu	Lagos	LASU Ojo, Lagos
23	Kirikiri Road	Lagos	100A, Kirikiri Rd., Apapa, Lagos
24	Creek Road	Lagos	26b Creek Rd Apapa Lagos
25	Festac	Lagos	21 Road, Festac, Lagos.
26	Trade Fair	Lagos	57BBA, Private Plaza, Balogun Business Association, Trade Fair Complex
27	Ajegunle	Lagos	66, Mobil Road, Ajegunle, Lagos
28	Coker	Lagos	29, Badagry Express Way Coker, Orile
29	Orile-Iganmu	Lagos	Orile Coker, 97, Baale Street, Coker, Orile
30	Alaba 1	Lagos	5, Alaba International Market Road, Alaba
	LAGOS MAINLAND 2		
31	Aromire	Lagos	9, Aromire Avenue, Ikeja
32	Ilupeju	Lagos	Akintola Williams Delloite Building, 235 Ikorodu Road
33	Adebola House	Lagos	38, Opebi Road, Ikeja
34	68 Opebi	Lagos	68, Opebi Street, Ikeja
35	Ogudu	Lagos	28,Ogudu Road, Ojota
36	Iju Road	Lagos	102, Iju Road, Ifako
37	Idimu	Lagos	294, Idimu Road, Isheri
38	Iyana-Ipaja	Lagos	109, Lagos Abeokuta Exp Way, Iyana-Ipaja
39	Shasha Road	Lagos	32, Shasha Road, Akowonjo
40	Ikotun	Lagos	18 Idimu-Ikotun Road, College B/Stop, Ikotun
41	Ogba	Lagos	38 Ijaiye Road, Ogba
42	Abule Egba	Lagos	585 Lagos-Abeokuta Expressway, Abule-Egba
43	Medical Road (Fmr. Awolowo Way)	Lagos	104, Awolowo Way, Ikeja

S/N	BRANCHES	STATE	ADDRESS
	LAGOS MAINLAND 4		
44	Ojuwoye Service Centre	Lagos	9, Dada Iyalode Str Ojuwoye, Mushin
45	Adeniran Ogunsanya	Lagos	74, Adeniran Ogunsanya, Surulere
46	Willoughby	Lagos	28, Willoughby Street, Ebute Metta
47	Iddo	Lagos	Railway Terminus, Ebute Metta
48	Ogunlana Drive	Lagos	141, Ogunlana Drive, Surulere
49	Herbert Macaulay	Lagos	260/262 Herbert Marcaulay Way, Yaba
50	Airport Road	Lagos	Airport Road, Ikeja
51	Daleko	Lagos	Plot 8, BLK E Daleko Market, Isolo Express Way
52	Matori	Lagos	26, Fatai Atere Way, Matori Industrial Estate
53	Ire-Akari	Lagos	68, Ire-Akari Estate, Isolo
54	Okota Road	Lagos	101 Okota Road Isolo
55	Itire	Lagos	Itire Road By Iyana-Itire Bus Stop, Off Apapa-Oshodi
56	Oshodi	Lagos	Oyetayo Street, Oshodi Local Govt, Oshodi
	NORTH CENTRAL		
57	Ali Akilu	Kaduna	9, Ali Akilu Road, Kaduna
58	Kachia Road	Kaduna	236, Kachia Road, Kaduna
59	Minna	Niger	Federal Mortgage Bank Building, Bosso Road, Minna
60	Makurdi	Benue	55, Old Otukpo Road High Level, Makurdi, Benue State
61	Lokoja	Kogi	4, Murtala Muhammed Way, Lokoja
62	Zaria	Kaduna	1, River Road, Sabon-Gari, Kaduna
63	Kaduna Refinery	Kaduna	KM16, Kachia Road, KRPC Staff Co-operative Commercial Plaza, Kaduna
64	Kagoro	Kaduna	Along Kagoro Road, Kaduna
	NORTH EAST		
65	Maiduguri	Borno	39 Kashim Ibrahim Way, Maiduguri
66	Bauchi	Bauchi	Yakubun Bauchi Rd, Beside CBN, Bauchi
67	Terminus House - Jos	Plateau	Terminus House, 1, Ahmadu Bello Way, Jos
68	Jingiri Rd - Jos	Plateau	13, Jingiri Road, Opp. Leventis Motors, Jos
69	Jimeta	Adamawa	Plot 109, Mohammed Mustapha Way, Yola North LGA, Jimeta, Yola
70	Damaturu	Yobe	5, Ahmadu Bello Way, Potiskum Road, Damaturu
71	Gombe	Gombe	New Market Road, Gombe
72	Jalingo	Taraba	26, Hammaruwa Way, Old Legacy Finbank branch, Jalingo
	NORTH WEST		
73	MM Way	Kano	110, Murtala Mohammed Way, Kano
74	Dutse	Jigawa	Kiyawa Rd Opp Oando Filling Station Dutse, Jigawa
75	Kwari Market	Kano	20, Unity Road (Kwari Market), Kano
76	Niger Street	Kano	2B, Niger Street, (Gidan Goldie), Kano
77	Kofar Ruwa	Kano	Aminu Dantata Estate, Kofar Ruwa, Kano
78	Bayero University	Kano	BUK New Campus, Kano
79	Sokoto	Sokokto	Abdullahi Fodio Road, Sokoto South LGA, Sokoto
80	Katsina	Katsina	34, General Hassan Usman Way, Katsina
81	Kebbi	Kebbi	31 Sultan Abubakar Road Road. GRA, Kebbi
82	Gusau	Zamfara	Zaria Road, Gusau
	SOUTH EAST 1		
83	Eziukwu Rd	Abia	Plot 3, Eziukwu Rd, Aba
84	Ariaria	Abia	A-Line, Ariaria International Market, Ariaria
85	Azikiwe Rd	Abia	107 Nnamdi Azikwe Road, Aba
86	Oron Rd	Akwa-Ibom	52, Oron Road, Uyo
87	Abak Rd	Akwa-Ibom	25, Atikuu Abubakar Road, Uyo
88	Clement Ebri	Cross River	1, Clement Ebri Drive, State Housing Estate, Calabar
89	Ekeoha Market Branch	Abia	KG 18, 19, 20 & 21 (UP) Ekeoha Shopping Centre, Aba
90	Douglas Rd (Whetheral Rd.)	Imo	71, Douglas Rd, Owerri, Imo State
91	Library Avenue	Abia	2, Library Avenue, Opposite Michael Okpara Auditorium, Umuahia
92	Umuahia Branch	Abia	90, Aba Road, Umuahia

S/N	BRANCHES	STATE	ADDRESS
	SOUTH EAST 2		
93	Market Rd	Enugu	2A, Market Rd, Enugu
94	Portharcourt Road Onitsha	Anambra	34, Port-Harcourt Rd, Fegge, Onitsha
95	Zik Avenue	Anambra	140, Zik Avenue, Awka
96	Okpara Avenue	Enugu	Plot 23 (48), Okpara Avenue, Enugu
97	Uga BridgeHead	Anambra	45 Uga Street, Fegge Bridgehead, Onitsha
98	Nottidge	Anambra	23 Nottidge Street, Onitsha
99	Abakaliki	Ebonyi	39, Ogoja road, Abakaliki
	SOUTH SOUTH 1		
100	Akpakpava	Edo	49, Akpakpava Street, Benin City
101	Asaba 1	Delta	180, Nnebisi Rd,Asaba, Delta State
102	Odibo	Delta	Effurun Sapele Rd Opp Urhobo College, Odibo Housing Estate
103	Asaba 2	Delta	290 Nnebisi Road, Asaba
104	Adesuwa Road	Edo	11, Adesuwa Grammar School Road, GRA, Benin City
105	Sapele Road	Edo	56/58 Sapele Road, Benin
106	Ikpoba Hill	Edo	40B, Ohovbe Qtrs., Ikpoba Hill, Benin City
107	Okada	Edo	Igbinedion University, Okada
108	Warri	Delta	75, Warri/Sapele Road, Warri
	SOUTH SOUTH 2		
109	13 Transamadi	Rivers	Plot 13, Transamadi, Ind Layout P/Harcourt
110	Mbiama Rd	Bayelsa	268, Mbiama/Yenagoa Rd, Yenagoa
111	Olu Obasanjo	Rivers	4, Olu Obasanjo Rd, P/Harcourt
112	Woji Rd	Rivers	142, Woji Rd, GRA 2, P/Harcourt
113	87 Rumuola	Rivers	87, Rumuola Road, Rumuokara P/Harcourt
114	UPTH	Rivers	UPTH Permanent Site, P/Harcourt (Saturday Banking)
115	204 Aba Road	Rivers	204 Kalagbor Street, Rumuola, P/Harcourt
116	Rumuibekwe	Rivers	Plot 6 And 7, (420) Aba Road, Rumuibekwe, P/Harcourt
117	Ogbunabali	Rivers	2A, Aguma Street, P/Harcourt
118	Aggrey Rd	Rivers	14, Aggrey Road, P/Harcourt
119	Melford Okilo Road	Bayelsa	252 Melford Okilo Road, Amarata, Yenagoa
120	Yenagoa	Bayelsa	Sani Abacha Way, Yenagoa
	IKORODU & BEYOND		
121	Ikorodu	Lagos	43, Lagos-Ikorodu Road
122	Ketu	Lagos	548, Ikorodu Road, Ketu
123	Ota	Ogun	64, Idiroko Rd, Ota
124	Ogijo	Ogun	1, Bishop Close, Ogijo, Lagos-Shagamu
125	Magboro	Ogun	Former Fielding Arena, Beside Peace Estate Gate At Ewenla Bus Stop, Magboro
126	Akute	Lagos	No 22, Ogunlowo Street, Ajuwon. Akute-Alagbole
	SOUTH WEST 1		
127	Iwo Road	Oyo	49A, Iwo Road, Ibadan
128	Dugbe	Oyo	3, Obafemi Awolowo Way, Dugbe
129	Apata	Oyo	529, Old Abeokuta Rd, Apata Gangan-Ibadan
130	Oke-Ado	Oyo	2, Ososami Rd, Oke-Ado, Ibadan
131	Secretariat	Oyo	Oyo State Govt. Secretariat Complex, Ibadan
132	Shagamu	Ogun	Along Akarigbo Road, Shagamu
133	Ring Road	Oyo	97 Lagos Road Challenge, Ibadan
134	Abeokuta	Ogun	Abeokuta Sport Club Road, Opic Roundabout, Oke-Ilewo, Abeokuta
135	Ijebu Ode	Ogun	39 Ibadan Road, Ijebu-Ode
	SOUTH WEST 2		
136	Ado Ekiti	Ekiti	Bank Road, By New Iyin Road, Ado Ekiti
137	Ore	Ondo	82, Ondo Rd, Ore
138	Akure	Ondo	142, Oba Oyemekun Rd, Akure
139	MM Way, Ilorin	Kwara	11, Muritala Mohammed Way, Ilorin
140	Ibrahim Taiwo	Kwara	Plot 240, Ibrahim Taiwo Road, Ilorin
141	Oshogbo	Osun	Km3 Ibadan Gbongan Road, Oshogbo
142	Bowen University	Osun	Bowen University, Iwo

S/N	CASH CENTER	STATE	ADDRESS
143	Wuye	Abuja	Plot 1135, Gidado Idris Street, Eternal Oil Filling Station, Finance Junction, Wuye
144	Zoo Road	Kano	110 MM Way, Kano
145	Aspanda Cash Centre	Lagos	Obi-Austin Plaza, Block CT2, Aspamda, TradeFair
146	Igbogbo Cash Centre	Lagos	27 Obafemi Awolowo Way, Igbogbo Ikorodu
147	Caleb University	Lagos	KM15, Ikorodu Itoikin Road, Imota
148	Oworo	Lagos	10, Adams Street, Oworonshoki
149	Mosinmi Cash Centre	Ogun	Mosinmi Service Centre, NNPC Depot, Mosinmi Along Shagamu Road
150	Igando	Lagos	Conoil Filling Station, KM5, LASU-Isheri Road College Bus Stop, Igando
151	Ijoko	Lagos	KM4, Ijoko Road, Cele Bus-Stop, Ijoko
152	Langbasa	Lagos	26 Langbasa Ado Road, Ajah
153	Awoyaya	Lagos	Mayfair Garden Estate, Lekki
154	Matori Cash	Lagos	26 Fatai Atere Way, Matori Industrial Estate
155	Naze Cash Centre	Imo	Naze Timber Market Owerri
156	Douglas Road Owerri	Imo	71 Douglas Road, Owerri
157	CemeteryBranch	Abia	Alphareg Park, By Conoil Filing Station, Cemetery Market
158	UUTH	Akwa Ibom	52,Oron Road, Uyo
159	Calabar EPZ Cash Centre	Cross River	2 Clement Ebri Drive, Calabar
160	Toro Orua	Bayelsa	Toro Orua, Sagbama
161	Ikere Ekiti Cash Centre	Ekiti	Ikere Ekiti College Of Education
162	Owode Onirin Cash Centre	Lagos	Owode Spare Parts Market, Lagos

THE ALTERNATIVE BANK LTD.

S/N	BRANCHES	STATE	ADDRESS
1	Altplace Marina	Lagos	21/22 Marina Lagos
2	Althaven	Abuja	No 27, Libreville crescent, Wuse 2, Abuja
3	Altplace Yaba	Lagos	320, Herbert Macaulay way, Sabo, Yaba, Lagos
4	Bogije	Lagos	Convel Plaza, opposite beechwood estate, Ibeju Lekki Expressway, Lagos
5	Zaria	Kaduna	1-3, Park road, Sabon gari, Zaria, Kaduna
6	France Raod	Kano	No 8, France Road, Sabon-Gari, Kano
7	Ultra Modern Market	Kano	No 2, Block no. C1, Civic Center ultra-modern market, Civic Center road, Kano
8	Lafia	Lafia	Cadastral zone A22, Plot 11340, Lafia Millionaire quarters, Nassarawa
9	Katsina (Co-location)	Katsina	No 34, General Hassan Usman Way, Katsina
10	Kwari Market	Kano	20, Unity Rd (Kwari Mkt) Kano
11	Admiralty	Lagos	Plot2, Block12E, Admiralty Way, Lekki Phase 1
12	Ahmadu Bello Way, Kaduna	Plateau	ATC plaza, Ahmadu Bello Way, Kaduna
13	Bakky Plaza	Lagos	Agungi Lagos
14	Ilorin Branch	Lagos	Umar-Audi Road
15	Mararaba Mini Branch	Lagos	Kwadmall Shopping Complex, Mararaba, Nasarawa
16	Jos Mini Branch	Plateau	Beach Plaza, 15, Beach Road, Jos

S/N	WAKEEL SHOP	STATE	ADDRESS
17	Apete Wakeel Shop	Oyo	AGC plaza Opp Awotan Central Mosque, Awotan Apete Ibadan
18	Deidei Wakeel Shop	Abuja	1st floor Royal Plaza, Deidei Market, Abuja
19	Maiduguri Wakeel Shop	Borno	Bara'Imul-Iman college, Damboa Road, Maiduguri
20	Hotoro Wakeel Shop	Kano	140, Maiguduri Road, Opposite NNPC Depot, Hotoro, Kano

Detachable Forms

Change of Address Form

For Sterling Financial Holdings Company Plc Annual General Meeting

Sterling

To:

The Registrar:
Pace Registrars Limited
8th Floor, Knight Frank Building
24, Campbell Street, Lagos.
Tel: 01-2806987-8, 2805538
info@pacegregistrars.com
www.paceregistrars.com

I/We hereby request to change my/our address in books of:
NAME OF COMPANY: **STERLING FINANCIAL HOLDINGS COMPANY PLC**

OLD ADDRESS ____

____

____

____

NEW ADDRESS ____

____

____

____

Registrar Account No.____

Shareholder's Signature ____

Email____

Mobile Phone No.____

(1) ____

(2) ____

NB: Corporate Seal/Stamp required for (Corporate Shareholder)

E –Bonus/Offer/ Rights Form

For Sterling Financial Holdings Company Plc Annual General Meeting

Sterling

To:

The Registrar:
Pace Registrars Limited
8th Floor, Knight Frank Building
24, Campbell Street, Lagos.
Tel: 01-2806987-8, 2805538
info@pacegregistrars.com
www.paceregistrars.com

Please credit my/our account at Central Securities Clearing System Limited (CSCS) with all subsequent allotments and bonuses due to me/us in the books of:

NAME OF COMPANY: **STERLING FINANCIAL HOLDINGS COMPANY PLC**

PERSONAL DATA

Surname ____________________

Other Names ____________________

Address ____________________

Mobile Phone No ____________________

E-mail ____________________

NB: Corporate Seal/Stamp required for (Corporate Shareholder)

CSCS DETAILS

Stockbroker ____________________

Clearing House Number C ____________________

Authorized Signature & Stamp of Stockbroking ____________________

NB: Please attach a copy of your CSCS statement as evidence of opening the CSCS account

Mandate for Dividend Payment to Bank

For Sterling Financial Holdings Company Plc Annual General Meeting

Sterling

To:

The Registrar:
Pace Registrars Limited
8th Floor, Knight Frank Building
24, Campbell Street, Lagos.
Tel: 01-2806987-8, 2805538
info@pacegregistrars.com
www.paceregistrars.com

I/We hereby request that subsequently all my/our dividends due or which may become due in my/our holding in the book of Sterling Financial Holdings Company Plc be paid electronically to my/our Bank with below details:

Shareholder's Full Name ______________________________

Bank Name ______________________________

Account Number (NUBAN) ______________________________

BVN ______________________________

Bank Branch Address ______________________________

E-mail ______________________________

Mobile Phone Number ______________________________

Shareholder Signature ______________________________

Joint holders

(1) ____________________ (2) ____________________

If Corporate

Authorised signatures (1) ____________________ (2) ____________________

NB: Corporate Seal/stamp required for (corporate Shareholders) ____________________

Authorised Signature and Stamp of Banker's ______________________________

Please Attach Valid Means of Identification

Shareholders Data Update Form

For Sterling Financial Holdings Company Plc Annual General Meeting

Sterling

To:

The Registrar:
Pace Registrars Limited
8th Floor, Knight Frank Building
24, Campbell Street, Lagos.

SHAREHOLDER DETAILS

In order to effectively communicate with and to provide you with information on developments within Sterling Financial Holdings Company Plc. Kindly complete your shareholder's details below

Surname ____________________

Other Names ____________________

Address ____________________

____

Registrar A/C No. ____________________

Postal Address ____________________

Email Address ____________________

Mobile Phone No ____________________

Shareholder's Signature OR Thumbprint ____________________

CSCS INFORMATION

I/We hereby request that subsequently all my/our dividends due or which may become due in my/our holdings in Sterling Financial Holdings Company Plc indicated below to be transferred to CSCS electronically:

CLEARING HOUSE NUMBER									
C									

NAME OF STOCKBROKERS

Joint holders

(1) ____________________ (2) ____________________

If Corporate

Authorised signatures (1) ____________________ (2) ____________________

NB: Corporate Seal/Stamp required for (Corporate Shareholder)

Kindly return duly completed form to the Registrar
Pace Registrars Limited RC 248500
8th Floor, Knight Frank Building, Akuro House
24, Campbell Street, Lagos.

P.M.B. 12735 Lagos, Nigeria
Tel: 01-2806987-8, 2805538
Email: info@paceregistrar.com

Proxy Form

For Sterling Financial Holdings Company Plc Annual General Meeting

Sterling

2nd Annual General Meeting

I/WE, ____ being a member/members of Sterling Financial Holdings Company Plc hereby appoint **Mr. Adeyemi Adeola** or **Mr. Yemi Odubiyi**, as my/our proxy, to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held virtually via sterlingholdco.ng/agm, on Friday, the 11th day of July 2025 at 10.00 a.m. or at any adjournment thereof.

Dated this ______________ day of _______ 2025

____

Shareholder's Signature

S/N	ORDINARY BUSINESS	FOR	AGAINST
1.	To receive the Audited Financial Statements for the year ended 31st December 2024, together with the reports of the Directors, Auditors, and the Statutory Audit Committee thereon		
2.	To declare a dividend for the financial year ended 31st December 2024		
3.	To elect/re-elect Directors		
	a) To elect Mr. Ashutosh Kumar as a Non-Executive Director		
	b) To re-elect Ms. Eniye Ambakederemo as an Independent Non-Executive Director		
	c) To re-elect Mr. Shola Adekoya as a Non-Executive Director		
4.	To authorize the Directors to fix the remuneration of the Auditors for the 2025 financial year		
5.	To disclose the remuneration of Managers of the Company		
6.	To elect the Shareholders' representatives of the Statutory Audit Committee		
	SPECIAL BUSINESS		
	To consider and if thought fit, pass the following resolution as an ordinary resolution:		
7.	That the Directors' Fees for the year ending 31st December 2025 be fixed at N191,134,000 (One Hundred and Ninety-One Million, One Hundred and Thirty-Four Thousand Naira) for Non-Executive Directors until reviewed by the members at an Annual General Meeting.		
8.	To consider and if thought fit, pass the following sub-joined resolutions as ordinary resolutions: i. That the Company be and is hereby authorized to raise up to US$400 million (Four Hundred Million United States Dollars) or its equivalent in Naira or other currencies through the establishment of a Shelf Programme (the "**Shelf Programme**"). The capital may be raised in tranches or otherwise over a specified period through the issuance of debt instruments (including, but not limited, bonds that may be convertible or non-convertible, commercial papers, Sukuks, medium or short term notes, and debentures), preference shares, ordinary shares, global depositary receipts, or a combination thereof, in the Nigerian and/or international capital markets, whether by way of public offer, private placement, rights issue, or any other method, at prices, coupons or interest rates determined through book building or any other acceptable valuation method, or combination of methods, in such tranches, series or proportions, within such maturity periods and at such dates and upon such terms and conditions as may be determined by the Board of Directors of the Company (the "Board"), subject to the procurement of requisite approvals from the relevant regulatory authorities.		
	ii. That in furtherance of the Shelf Programme, the Board be and is hereby unconditionally authorized pursuant to sections 127(1) and 149(1)(a) of the *Companies and Allied Matters Act 2020 (as amended by the Business Facilitation Act 2022)*, to increase the share capital of the Company by the allotment of shares of the Company at any time necessary for a period of 2 (two) years from the date hereof.		
	iii. That in the case of a rights issue, shares that are not taken up by existing shareholders within the period stipulated under such rights issue may be offered to other shareholders of the Company that have indicated their interest in purchasing additional shares arising from the rights issue, subject to the terms and conditions as may be determined by the Board.		

	iv. That the Board be and is hereby authorised to seek the listing and admission to trading of any securities issued pursuant to the foregoing resolutions, on the relevant market of the Nigerian Exchange Limited, or on the relevant market of FMDQ Securities Exchange Limited, or on both, or on such other securities exchange in Nigeria or elsewhere (as the case may be).		
	v. That the Board be and is hereby authorised to amend the Company's Memorandum and Articles of Association to reflect the Company's new share capital structure prior to or following the capital raise arising from the foregoing resolutions, and that the Company Secretary be and is hereby authorised to take all necessary steps to give effect to these amendments.		
	vi. That the Company Secretary be and is hereby authorised to register any increase(s) in share capital with the Corporate Affairs Commission in such incremental proportions or tranches as the Board may deem necessary or desirable, and the Board is hereby authorised to issue on behalf of shareholders, such resolutions as may be required by the Corporate Affairs Commission; and		
	vii. That the Company be and is hereby authorized appoint such professional parties and advisers, and perform all other acts as may be necessary to give effect to the above resolutions, including obtaining relevant regulatory approvals and, without limitation, complying with the directives of any relevant regulatory authority.		

Please indicate with an '**X**' in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion

NOTE

i. 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.

ii. To be valid, a completed proxy form should be deposited with Pace Registrars Limited, Knight Frank Building, 24 Campbell Street, Lagos or via email at info@paceregistrars.com, not less than 48 hours before the time fixed for the meeting.

iii. For the appointment of a proxy to be valid for the purposes of the meeting, the Company has made arrangements, at its cost, for the stamping of the instruments of proxy.

sterling.ng