Sterling

Financial Holdings Company Plc

CONDENSED UNAUDITED GROUP INTERIM FINANCIAL STATEMENTS

September 2026



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Directors' Report

For the period ended 30 September 2026

The Directors present their third quarter report on the affairs of Sterling Financial Holdings Company Plc ("the Company"), together with the unaudited Group Financial Statements for the period ended 30 September, 2026.

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 the 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 Wealth Management Ltd, an asset management company.

Legal form

Sterling Financial Holdings Company Plc was incorporated on 13 October 2021 as a private limited liability company and re-registered as a public company on 16 November 2022. The Company's shares were listed on Nigerian Exchange Limited on 6 April 2023. The Central Bank of Nigeria issued the Company its final license on 27 June 2023 and the Company commenced operations on 1 July 2023.

Operating results

	Group		Company	
In millions of Naira	September 2026	September 2025	September 2026	September 2025
Gross earnings	454,939	341,665	19,545	3,966
Profit before taxation	97,282	70,960	13,079	660
Taxation	(21,910)	(8,663)	(2,975)	(209)
Profit after taxation	75,372	62,297	10,104	451
Transfer to reserves	16,883	13,808	-	-
Transfer to general reserve	58,489	48,489	10,104	451
	75,372	62,297	10,104	451
Earnings per share (Naira) - Basic*	11.35	12.82	1.52	0.09
Earnings per share (Naira) - diluted*	11.35	12.82	1.52	0.09

*Basic and diluted earnings per share for both periods have been restated for the share reconstruction of one (1) new ordinary share for every ten (10) existing ordinary shares, effective 8 October 2026, in accordance with IAS 33.64. See Notes 15 and 39.

	September 2026	December 2025	September 2026	December 2025
NPL Ratio	4.6%	4.7%	-	-

Directors who served during the period

The following Directors served during the period under review:

	Name	Designation	Interest represented
1	Mr. Adeyemi Adeola	Chairman	Alfanoma Nigeria Limited
			Silverlake Investments Limited
			Reduvita Limited
			Quakers Integrated Services Limited
			Concept Features Limited
2	Ms. Eniye Ambakederemo	Independent Director	
3	Mr. Adeshola Adekoya	Non-Executive Director	STB Building Society Limited
			Eltees Properties
			Rebounds Integrated Services Limited

Directors' Report - continued

For the period ended 30 September 2026

Directors who served during the period - continued

	Name	Designation	Interest represented
4	Ms. Olubisi Makoju	Independent Director	
5	Ms. Aisha Bashir	Independent Director	
6	Mr. Abubakar Suleiman	Non-Executive Director	
7	Mr. Ashutosh Kumar	Non-Executive Director	State Bank of India
8	Mr. Yemi Odubiyi	Managing Director	
9	Mr. Olayinka Oni	Executive Director	

Going Concern

The Directors assess the Group and the Company's future performance and financial position on an on-going basis and have no reason to believe that the Group will not be a going concern in the period ahead. For this reason, these financial statements are prepared on a going concern basis.

Directors 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:

		Number of shares			
	Names	September 2026 Direct	September 2026 Indirect	December 2025 Direct	December 2025 Indirect
1	Mr. Adeyemi Adeola	82,944,205	15,059,666,697	72,000,031	14,757,945,697
2	Ms. Eniye Ambakederemo	-	-	-	-
3	Mr. Adeshola Adekoya	-	1,552,927,175	-	1,552,927,175
4	Ms. Aisha Bashir	-	-	-	-
5	Ms. Olubisi Makoju	-	-	-	-
6	Mr. Abubakar Suleiman	604,325,502	431,684,100	604,326,028	82,000,000
7	Mr. Ashutosh Kumar	-	2,549,505,026	-	2,549,505,026
8	Mr. Yemi Odubiyi	-	1,065,306,970	-	810,783,773
9	Mr. Olayinka Oni	53,916,501	-	53,916,501	-

Directors' interests in contracts

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

Directors' Report - continued

For the period ended 30 September 2026

Directors' Remuneration

The Company ensures that remuneration paid to its Directors complies 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 Company hereby discloses 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, 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.

Analysis of shareholding

The range analysis of the distribution of the shares of the Company as at 30 September 2026 is as follows:

Range of shares	Number of holders	%	Number of units	%
1 - 1,000	49,885	38.15%	24,533,886	0.04%
1001 - 5,000	37,204	28.46%	89,099,165	0.13%
5,001 - 10,000	13,430	10.27%	98,147,383	0.14%
10,001 - 20,000	10,434	7.98%	148,272,066	0.22%
20,001 - 50,000	7,970	6.10%	259,944,031	0.38%
50,001 - 100,000	4,512	3.45%	330,982,614	0.48%
100,001 - 200,000	2,947	2.25%	428,346,917	0.63%
200,001 - 500,000	2,242	1.71%	716,042,028	1.05%
500,001 - 10,000,000	2,110	1.61%	17,849,609,395	26.06%
Above 10,000,001	9	0.01%	32,391,216,913	47.28%
Foreign shareholding	2	0.00%	16,166,137,310	23.60%
	130,745	100.00%	68,502,331,708	100.00%

Directors' Report - continued

For the period ended 30 September 2026

Analysis of shareholding - continued

The following shareholders have shareholdings of 5% and above as at 30 September 2026:

	September 2026 Holding (units)	September 2026 % holding	December 2025 Holding (units)	December 2025 % holding
Cardinal Stone Asset Management Limited (Sterling Closed Investment Fund)	16,666,666,667	24.33%	16,666,666,667	30.47%
Silverlake Investments Limited	13,616,632,284	19.88%	13,314,911,284	24.35%
Total Substantial Shareholdings	30,283,298,951	44.21%	29,981,577,951	54.82%

Acquisition of own shares

The Company did not acquire any of its shares during the period ended 30 September 2026 (30 September 2025: Nil).

Property, plant and equipment

Information relating to changes in property, plant and equipment is given in Note 26 to the consolidated and separate financial statements.

Employment and employees

i Employment of disabled persons

The Company has a non-discriminatory policy on recruitment. Applications would always be welcomed from suitably qualified disabled persons and are reviewed strictly on qualification. The Company'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.

ii Health, safety and welfare of employees

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

iii Employee training and development

The Company is committed to keeping employees fully informed as much as possible regarding the Company'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 Company's performance are implemented whenever appropriate.

iv Events after reporting date

Other than the share reconstruction which became effective on 8 October 2026 (see Note 39), there were no events after the reporting date which could have had a material effect on the state of affairs of the Company as at 30 September 2026 or the profit for the period ended on that date which have not been adequately provided for or disclosed.

BY ORDER OF THE BOARD:



Sunny Kanabe
Company Secretary
FRC/2025/PRO/NBA/002/099459
20 Marina, Lagos, Nigeria.
27 October, 2026

Corporate Governance

The Company complies with the relevant provisions of the Securities & Exchange Commission (SEC), the Financial Reporting Council of Nigeria (FRCN), the Central Bank of Nigeria (CBN) Codes of Corporate Governance and CBN Code of Corporate Governance Guidelines for Financial Holding Companies in Nigeria.

Board Composition and Committees

Board of Directors

The Board of Directors (the 'Board') is made up of the Non-Executive Chairman, Non-Executive Directors and Executive Directors who oversee the corporate governance of the Company. The members are as follows:

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

Board Committees

The Board carries out its oversight functions through its various committees each of which has clearly defined terms of reference and a charter that has been approved by the Central Bank of Nigeria. The Board has four (4) standing committees, Board Finance & Investment Committee, Board Audit Committee, Board Risk Management Committee and Board Governance, Nomination & Remuneration Committee. In line with best practice, 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 Finance and Investment Committee

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

Terms of reference

- 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 with a view to maximizing 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 annual budget;
- Approve and recommend dividend and tax policies to the Board;
- Recommend dividend and tax policies to the Board for approval.
- Ensure that reporting on issues related to investment and finance is comprehensive for proper deliberation and decision making;
- Ensure investment strategies, policies and guidelines are in compliance with all applicable regulations;

Corporate Governance - continued

Terms of reference - continued

- 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 risk profile agreed 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 are as follows:

1	Mr. Adeshola Adekoya	Chairman
2	Mr. Abubakar Suleiman	Member
3	Ms. Aisha Bashir	Member
4	Mr. Yemi Odubiyi	Member
5	Mr. Olayinka Oni	Member
6	Ms. Olubisi Makoju	Member

Board Audit Committee

The Committee is responsible for evaluating and handling issues relating to Internal and External Audit in the Company.

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 implementation of Internal Audit recommendations by Management;
- Ensure that the operations of the Internal Audit function are in compliance with acceptable International Standards for the Professional Practice of Internal Auditing;
- Ensure Management develops a comprehensive internal control framework and oversees its effectiveness;
- Ensure that adequate whistle-blowing procedures are in place;
- Review the proposed audit plan(s) and review 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 control letter presented by the external auditors and ensure 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;
- Ensure that the tenure of an appointed External Auditor shall be for a maximum period of ten (10) years as mandated by the CBN and SEC code of corporate governance;

Corporate Governance - continued

Board Audit Committee - continued

Terms of reference - continued

- Maintain a mechanism for receiving complaints regarding the Company's accounting and operating procedures;
- Review legal and regulatory matters, contingent liabilities or other sensitive information that may have a material effect on the Group's financial statements, systems of internal control or regulatory compliance; and
- Provide to the Board such assurances as it may reasonably require regarding compliance by the Company.

The members are as follows:

1	Ms. Eniye Ambakederemo	Chairperson
2	Mr. Adeshola Adekoya	Member
3	Mr. Ashutosh Kumar	Member
4	Ms. Olubisi Makoju	Member

Board Risk Management Committee

The Committee is responsible for evaluating and handling issues relating to Risk Management in the Company.

Terms of reference

- 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 on a periodic basis to accommodate major changes in internal or external factors; and ensure that changes are in the 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, including 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;
- Ensure there are effective controls in place to minimize operational risks and optimize value;
- Review the adequacy and effectiveness of compliance programmes;
- Ensure that the Company's risk management policies and practices are disclosed in the annual report;
- Make recommendations to the Board concerning the levels of risk capacity and tolerance, and ensure that they are managed within these parameters;
- 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 to the Board such assurances as it may reasonably require regarding compliance by the Company.

The members are as follows:

1	Ms. Aisha Bashir	Chairperson
2	Mr. Adeshola Adekoya	Member
3	Mr. Abubakar Suleiman	Member
4	Mr. Yemi Odubiyi	Member
5	Ms. Olubisi Makoju	Member

Corporate Governance - continued

Board Governance, Nomination & Remuneration Committee

The Committee acts on behalf of the Board 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, 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;
- Develop job specifications and Key Performance Indicators (KPIs), which shall be approved by the Board for the role of the Chairman and the Non-Executive Directors;
- Ensure the Board carries out annual performance review of itself and that of its Committees in accordance with applicable laws, regulations, policies and codes. The result of the exercise shall be reviewed by this Committee who shall also ensure the recommendations following the evaluation report are implemented;
- Ensure that there is a proper induction programme and ongoing learning for the Board and Board committee members;
- Provide adequate oversight in reviewing and updating the Board learning programmes 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 accordance with the Company's remuneration policy, the provisions of the CBN and SEC Codes of corporate governance and all applicable laws;
- Ensure that salary scales are set within the Company's general business policy;
- 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;
- Perform other duties related to the Company's compensation structure in accordance with applicable laws, rules, policies and regulation;
- Conduct periodic peer review of compensation and remuneration levels to ensure the Company remains competitive; and
- Undertake other reviews as the Committee deems necessary in order to fulfil its responsibilities as may be requested by the Board.

Corporate Governance - continued

Board Governance, Nomination & Remuneration Committee - continued

The members are as follows:

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

Statutory Audit Committee

The Committee meets every quarter, but could also meet at any other time, as the need arises.

Terms of reference

- To make recommendations to the Board to be put to the shareholders for approval at the AGM regarding the appointment, removal and remuneration of the external auditors of the Company;
- To authorise 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 auditor's findings and recommendations;
- To assist in the oversight of the integrity of the Company's financial statements, compliance with legal and other regulatory requirements, assessment of qualifications and independence of the external auditor, 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 Company 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;
- Discuss policies and strategies with respect to risk assessment and management;
- 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;

Corporate Governance - continued

Statutory Audit Committee - continued

Terms of reference - continued

- 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;
- 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; and
- Report to the Board regularly at such times as the Committee shall determine necessary.

The members are as follows:

1	Alhaji Mustapha Jinadu, FC.IoD	Chairman
2	Mr. Adeshola Adekoya	Member
3	Mr. Idongesit E. Udoh	Member
4	Ms. Christie O. Vincent	Member
5	Ms. Eniye Ambakederemo	Member

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. He also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value.

The Company Secretary assists the Chairman in ensuring good information flow within the Board and its committees and between Management and Non-Executive Directors. The Company Secretary also facilitates 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 the 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, he assists in ensuring coordination and liaison between the Board, the Board Committees and Management. The Company Secretary also assists in the development of the agendas for the various Board and Board Committee meetings.

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

Management Committee

Executive Committee (ExCo)

The Committee provides leadership to the Company and ensures the implementation of the Company's strategies and long-term goals approved by the Board.

Corporate Governance - continued

Whistle Blowing Process

The whistle blowing process is a mechanism by which suspected breaches of the Group's internal policies, processes, procedures and unethical activities by any stakeholder (staff, customers, suppliers and applicants) are reported for necessary actions.

It ensures a high degree of integrity and transparency in order to achieve efficiency and effectiveness in the Company's operations.

The reputation of the Company is of utmost importance and every staff member of the Company has a responsibility to protect the Company from any person or act 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 whistle blower's identity and rights. It should be noted that the ultimate aim of this policy is to ensure efficient service to the customer, good corporate image and business continuity in an atmosphere compliant with best industry practice.

The Company has a Whistle Blowing channel via the Company's website, dedicated telephone hotlines, and e-mail address in compliance with provisions of the CBN Guidelines for Whistleblowing for Banks and Other Financial Institutions in Nigeria.

The Company's Chief Compliance Officer is responsible for monitoring and reporting on whistle blowing.

Compliance Statement on Securities Trading by Interested Parties

The Company has put in place a Policy on Trading on the Company's Securities by Directors and other key personnel of the Company.

During the period under review, the Directors and other key personnel of the Company complied with the terms of the Policy and the provisions of Section 14 of the Amendment to the Listing Rules of the Nigerian Exchange Limited.

Complaint Management Policy

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

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

(a) In accordance with section 405 of the Companies and Allied Matters Act of Nigeria 2020, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

(i) condensed unaudited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statements was made; and

(ii) condensed unaudited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered by the unaudited financial statements;

(b) We state that management and directors:

(i) are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Group is made known to the officer by other officers of the group and company, particularly during the period in which the condensed unaudited financial statement report is being prepared.

(ii) have evaluated the effectiveness of the group's internal controls within 90 days prior to the date of its condensed unaudited financial statements, and

(iii) certify 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 have identified for the group 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

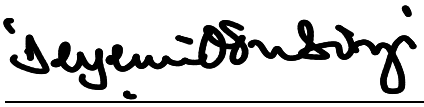
(iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The condensed unaudited financial statements of the Group and the Company for the period ended 30 September 2026 were approved by the directors on 27 October, 2026.

Signed by:



Adebimpe Olambiwonnu, FCA
Chief Finance Officer
FRC/2013/PRO/ICAN/001/00000001253



Yemi Odubiyi
Group Chief Executive Officer
FRC/2013/PRO/DIR/003/00000001279

Condensed Statement of Profit or Loss

For the period ended 30 September 2026

		Group		Company		Group		Company	
In millions of Naira	Notes	September 2026	September 2025	September 2026	September 2025	Quarter 3 2026	Quarter 3 2025	Quarter 3 2026	Quarter 3 2025
Interest income	3	353,782	262,418	6,771	1,550	130,207	95,258	2,821	554
Interest expense	4	(147,884)	(119,376)	(1,391)	-	(61,702)	(49,631)	(466)	-
Net interest income		205,898	143,042	5,380	1,550	68,505	45,627	2,355	554
Net Fees and commission income	5	39,626	35,880	-	-	12,756	13,814	-	-
Net trading income	6	21,303	22,776	-	-	14,340	9,763	-	-
Other operating income	7	40,228	20,591	12,774	2,416	18,036	10,218	7,608	637
Operating income		307,055	222,289	18,154	3,966	113,637	79,422	9,963	1,191
Credit loss expense on financial assets	8	(40,281)	(8,085)	-	-	(16,428)	(2,871)	-	-
Net operating income after impairment		266,774	214,204	18,154	3,966	97,209	76,551	9,963	1,191
Personnel expenses	9	(54,211)	(40,562)	(2,954)	(1,307)	(21,023)	(16,913)	(1,163)	(537)
Other operating expenses	10	(46,998)	(40,751)	(214)	(151)	(15,869)	(14,574)	(71)	(32)
General and administrative expenses	11	(47,542)	(41,167)	(1,274)	(1,589)	(13,990)	(11,436)	(471)	(533)
Other property, plant and equipment cost	12	(11,891)	(14,675)	(61)	(195)	(1,168)	(5,979)	(19)	(52)
Depreciation and amortisation	13	(8,850)	(6,089)	(572)	(64)	(3,411)	(2,237)	(194)	(27)
Total expenses		(169,492)	(143,244)	(5,075)	(3,306)	(55,461)	(51,139)	(1,918)	(1,181)
Profit before income tax		97,282	70,960	13,079	660	41,748	25,412	8,045	10
Income tax (expense)/credit	14(a)	(21,910)	(8,663)	(2,975)	(209)	(16,673)	(4,890)	(1,496)	7
Profit for the period		75,372	62,297	10,104	451	25,075	20,522	6,549	17
Earnings per share - basic (in Naira)	15	11.35	12.82	1.52	0.09				
Earnings per share - diluted (in Naira)	15	11.35	12.82	1.52	0.09				

Statement of Other comprehensive income

In millions of Naira	September 2026	September 2025	September 2026	September 2025	Quarter 3 2026	Quarter 3 2025	Quarter 3 2026	Quarter 3 2025
Profit for the period	75,372	62,297	10,104	451	25,075	20,522	6,549	17
Items that will not be reclassified to profit or loss in subsequent periods:								
Fair value gain/(loss) on equity instruments at fair value through other comprehensive income	288	229	-	-	917	(428)	-	-
Total items that will not be reclassified to profit or loss	288	229	-	-	917	(428)	-	-
Items that will be reclassified to profit or loss in subsequent periods:								
- Debt instruments measured at fair value through other comprehensive income: :								
- Net change in fair value during the period	(3,605)	21,267	-	-	21,496	19,704	-	-
- Changes in allowance for expected credit losses	-	-	-	-	-	-	-	-
- Reclassification to profit or loss	-	-	-	-	-	-	-	-
Net (losses)/gains on financial investments at fair value through other comprehensive income:	(3,605)	21,267	-	-	21,496	19,704	-	-
Other comprehensive (loss)/income for the period, net of tax	(3,317)	21,496	-	-	22,413	19,276	-	-
Total comprehensive income for the period, net of tax	72,055	83,793	10,104	451	47,488	39,798	6,549	17

Condensed Statement of Financial Position

As at 30 September 2026

In millions of Naira	Notes	Group 30 September 2026	Group 31 December 2025	Company 30 September 2026	Company *Restated 31 December 2025
Assets					
Cash and balances with Central Bank of Nigeria	16	725,270	761,639	-	-
Due from Banks	17	471,478	472,269	62,971	8,471
Pledged financial assets	18	41,153	16,085	-	-
Loans and advances to Customers	20	1,819,856	1,413,260	-	-
Investment securities:					
- Debt instruments at fair value through profit or loss	21(a)	192,732	74,131	-	-
- Debt instruments at fair value through other comprehensive income	21(b)	1,156,856	646,472	-	-
- Equity instruments at fair value through other comprehensive income	21(c)	52,594	52,692	-	-
- Debt instruments at amortised cost	21(d)	25,849	98,443	-	-
Investment in subsidiary	22	-	-	314,886	261,886
Other assets	23	473,336	259,934	5,497	6,034
Right-of-use asset	24	11,162	10,530	-	-
Investment Property	25	14,075	11,658	-	-
Property, plant and equipment	26	95,028	69,359	20,844	7,559
Intangible assets	27	5,124	3,205	-	-
Deferred tax assets	14(c)	14,693	21,965	-	-
Total Assets		5,099,206	3,911,642	404,198	283,950
Liabilities					
Deposits from Banks	28	108,451	-	-	-
Deposits from Customers	29	3,842,651	2,984,814	-	-
Derivative financial liabilities	19	2,091	1,433	-	-
Current income tax liabilities	14(b)	13,912	7,896	2,284	681
Other borrowed funds	30	231,481	231,439	-	-
Other liabilities	31	293,138	243,868	21,489	7,680
Lease Liability	32	1,209	1,331	-	-
Provisions	33	2,645	2,336	-	-
Deferred tax liabilities	14(c)	8,466	9,822	1,359	1,031
Total Liabilities		4,504,044	3,482,939	25,132	9,392
Equity					
Share capital	34	34,251	27,345	34,251	27,345
Share premium	34	227,240	139,742	227,240	139,742
Retained earnings		124,376	65,887	23,075	12,971
Other components of equity		209,295	195,729	94,500	94,500
Total equity		595,162	428,703	379,066	274,558
Total liabilities and equity		5,099,206	3,911,642	404,198	283,950

*See details of item restated in Note 38.

The consolidated and separate financial statements were approved by the Board of Directors on 27 October, 2026 and signed on its behalf by:

Adebimpe Olambiwonnu, *FCA*
Chief Finance Officer
FRC/2013/PRO/ICAN/001/00000001253

Yemi Odubiyi
Group Chief Executive Officer
FRC/2013/PRO/DIR/003/00000001279

Condensed Statement of changes in equity

For the period ended 30 September 2026

Group

	Share capital	Share premium	Fair value reserves	Share capital reserve	Regulatory risk reserves	SMEEIS reserve	AGSMEIS reserve	Statutory reserves	Total other components of equity	Retained earnings	Total
In millions of Naira											
Balance at 1 January 2026	27,345	139,742	43,476	5,276	84,065	235	10,169	52,508	195,729	65,887	428,703
Profit for the period	-	-	-	-	-	-	-	-	-	75,372	75,372
Other comprehensive (loss)/income net of tax	-	-	(3,317)	-	-	-	-	-	(3,317)	-	(3,317)
Proceeds from public offering	6,906	87,498	-	-	-	-	-	-	-	-	94,404
Transfer to other reserves	-	-	-	-	-	-	3,887	12,995	16,883	(16,883)	-
Balance at 30 September 2026	34,251	227,240	40,159	5,276	84,065	235	14,056	65,503	209,295	124,376	595,162

	Share capital	Share premium	Fair value reserves	Share capital reserve	Regulatory risk reserves	SMEEIS reserve	AGSMEIS reserve	Statutory reserves	Total other components of equity	Retained earnings	Total
In millions of Naira											
Balance at 1 January 2025	22,729	108,292	23,049	5,276	36,386	235	6,523	39,596	111,065	63,073	305,159
Profit for the period	-	-	-	-	-	-	-	-	-	62,297	62,297
Other comprehensive income net of tax	-	-	21,496	-	-	-	-	-	21,496	-	21,496
Proceeds from right issue	3,330	22,626	-	-	-		-	-	-		25,956
Transfer to other reserves	-	-	-	-	-	-	3,090	10,718	13,808	(13,808)	-
Dividends to equity holders			-	-	-	-	-	-	-	(9,381)	(9,381)
Balance at 30 September 2025	26,059	130,918	44,545	5,276	36,386	235	9,613	50,314	146,369	102,181	405,527

Company

	Share capital	Share premium	Fair value reserves	Share capital reserve	Regulatory risk reserves	SMEEIS reserve	AGSMEIS reserve	Statutory reserves	Re-organisation Reserve	Total other components of equity	Retained earnings	Total
In millions of Naira												
Balance at 1 January 2026 - as reported	27,345	139,742	-	-	-	-	-	-	94,500	94,500	18,801	280,388
Correction of prior period error*	-	-	-	-	-	-	-	-	-	-	(5,830)	(5,830)
Balance at 1 January 2026 - as restated	27,345	139,742	-	-	-	-	-	-	94,500	94,500	12,971	274,558
Profit for the period	-	-	-	-	-	-	-	-	-	-	10,104	10,104
Other comprehensive income net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from public offering	6,906	87,498	-	-	-	-	-	-	-	-	-	94,404
Transfer to other reserves	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 September 2026	34,251	227,240	-	-	-	-	-	-	94,500	94,500	23,075	379,066

*See details of item restated in Note 38.

	Share capital	Share premium	Fair value reserves	Share capital reserve	Regulatory risk reserves	SMEEIS reserve	AGSMEIS reserve	Statutory reserves	Re-organisation Reserve	Total other components of equity	Retained earnings	Total
In millions of Naira												
Balance at 1 January 2025	22,729	108,292	-	-	-	-	-	-	94,500	94,500	19,187	244,708
Profit for the period	-	-	-	-	-	-	-	-	-	-	451	451
Other comprehensive income net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from right issue	3,330	22,626	-	-	-	-	-	-	-	-	-	25,956
Transfer (from)/to other reserves	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	(9,381)	(9,381)
Balance at 30 September 2025	26,059	130,918	-	-	-	-	-	-	94,500	94,500	10,257	261,734

* See details of item restated in Note 38.

Condensed Statements of Cash Flow

For the period ended 30 September 2026

		Group		Company	
In millions of Naira	Notes	September 2026	September 2025	September 2026	September 2025
Operating activities					
Profit after tax		75,372	62,297	10,104	451
Adjustment for non cash items:					
Credit loss expense	8	40,281	8,085	-	-
Depreciation and amortisation	13	8,850	6,089	572	64
Gain on disposal of property and equipment	7	(28)	(480)	-	-
Increase/(decrease) in provisions	33	309	-	-	-
Dividend received	7	(773)	(893)	(3,950)	-
Foreign exchange loss	6	2,091	1,883	-	-
Income tax charge	14(a)	21,910	7,862	2,975	209
Net interest income		(205,898)	(143,042)	(5,380)	(1,550)
		(57,886)	(58,199)	4,321	(826)
Changes in operating assets:					
Restricted balance with Central bank		23,862	52,353	-	-
Pledged assets		(25,068)	13,400	-	-
Investment securities at FVTPL		(118,601)	(27,656)	-	-
Loans and advances to customers		(446,737)	(117,414)	-	-
Other assets		(215,633)	(175,444)	237	3,620
		(840,063)	(312,960)	4,558	2,794
Changes in operating liabilities:					
Deposit from banks	28	108,451	89,311	-	-
Deposits from customers		857,837	371,495	-	-
Derivative liabilities		658	2,077	-	-
Lease liability paid	32	(213)	(61)		-
Other liabilities		46,508	(51,323)	13,446	237
Cash generated from operations		173,178	98,539	18,004	3,031
Interest received	3	353,782	262,418	6,771	1,550
Interest paid on deposits from banks and customers		(134,348)	(104,293)	-	-
Income tax paid		(7,216)	(7,318)	(681)	(1,035)
Net cash flows from operating activities		385,396	249,346	24,094	3,546
Investing activities					
Proceed from sale/redemption of debt instruments at FVOCI		-	214,959	-	-
Purchase of debt instruments at FVOCI		(513,989)	(334,728)	-	-
Redemption of debt investment held at amortised cost		-	14,751	-	-
Purchase of debt investment held at amortised cost		-	(15,973)	-	-
Redemption from debt investments held at amortised cost		72,594	-	-	-
Right-of-use asset	24	(1,707)	(1,713)	-	-
Proceed from sales of investment properties	25	5,150	1,909	-	-
Purchase of investment properties	25	(7,725)	(500)	-	-
Purchase of property and equipment	26	(32,875)	(17,741)	(13,857)	(856)
Purchase of intangible assets	27	(2,511)	(806)	-	-
Proceeds from the sale of property and equipment		209	4,337	-	28
Purchase of equity instrument at FVOCI		-	(724)	-	-
Redemption from equity instrument at FVOCI		386	-	-	-
Additional investment in subsidiaries		-	-	(52,700)	(25,956)
Dividend received	7	773	893	3,950	-
Net cash flows used in investing activities		(479,695)	(135,336)	(62,607)	(26,784)
Financing activities					
Proceeds from other borrowed funds		114,796	77,100	-	-
Repayments of other borrowed funds		(114,754)	(25,768)	-	-
Interest paid on debt securities issued & borrowings	4	(13,445)	(13,633)	(1,391)	-
Proceeds from ordinary shares issued		94,404	25,956	94,404	25,956
Dividends paid to equity holders		-	(9,381)	-	(9,381)
Net cash flows from financing activities		81,001	54,274	93,013	16,575
Net (decrease)/increase in cash and cash equivalents		(13,298)	168,284	54,500	(6,663)
Effect of exchange rate changes on cash and cash equivalents		-	(28,274)	-	-
Cash and cash equivalents at beginning of the period	35	515,081	659,493	8,471	14,735
Cash and cash equivalents at end of the period	35	501,783	799,503	62,971	8,072

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 period ended 30 September 2026, are prepared for the Company and the Group (Holding Company and its subsidiaries, separately referred to as "Group entities") respectively.

The Group's operating entities provide a comprehensive range of financial services, including retail and consumer banking, trade finance, corporate and investment banking, as well as asset management solutions. Its service offerings also extend to wholesale banking activities, such as loans and advances, letters of credit, money market operations, and digital banking services delivered through electronic and mobile platforms.

2 Accounting Policies

2.1 (a) Basis of preparation and statement of compliance

The condensed consolidated and separate financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting 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 and Banks and Other Financial Institutions Act, 2020 (BOFIA).

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

(b) Functional and Presentation currency

The consolidated and separate financial statements are presented in Nigerian Naira and all values are rounded to the nearest million (₦'million) except when otherwise indicated.

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2026. Sterling Financial Holdings Company Plc 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 a majority 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 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.

Notes to the Consolidated and Separate Financial Statements

2 Accounting Policies - continued

(c) Basis of Consolidation - continued

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.

(d) Seasonality of operations

The impact of seasonality or cyclicality on operation is not regarded as significant to the condensed interim financial statements. The operations of the Group were even within the financial year.

(e) Issuance, repurchase and repayment of debts and equity securities

During the period under review, the Company issued 13,812,239,000 ordinary shares by way of Public Offer (Note 34), and the Group obtained and repaid other borrowed funds (Note 30). The Group did not issue any commercial paper.

(f) Significant events after the end of the reporting period

Other than the share reconstruction which became effective on 8 October 2026 (see Note 39), 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 30 September 2026 and profit or loss and other comprehensive income attributable to equity holders on that date which have not been adequately adjusted for or disclosed.

(g) Dividends

The Directors did not recommend the payment of any dividend for the Company's interim results for the period ended 30 September 2026.

(h) Changes to accounting policy

The accounting policies adopted are consistent with those of the previous financial period.

2.2 Summary of material accounting policies

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Group in its consolidated financial statements as at 30 September 2026 (unless otherwise stated). Below are the significant accounting policies.

(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 24 and are subject to impairment in line with the Group's policy as described in Impairment of non-financial assets.

(b) Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, where that rate cannot be readily determined, the Group's incremental borrowing rate. After the commencement date, the carrying amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Lease liabilities are remeasured where there is a modification, a change in the lease term or a change in the lease payments. Interest on lease liabilities is included in interest expense (see Note 32).

Notes to the Consolidated and Separate Financial Statements

2.2 Summary of material accounting policies - continued

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value (mainly offsite ATM space) assets recognition exemption to leases (i.e., below N2million). Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(d) Financial instruments

- 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, for an item 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.

- 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);
• Those to be measured at fair value through profit or loss (FVTPL)); and
• Those to be measured at amortised cost.

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.

- Subsequent measurements

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.

Notes to the Consolidated and Separate Financial Statements

2.2 Summary of material accounting policies - continued

(d) Financial instruments

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.

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 of a 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. Interest income from these financial assets is recognised in profit or loss as 'Interest income'.

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. Where the Group 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.

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;

Notes to the Consolidated and Separate Financial Statements

2.2 Summary of material accounting policies - continued

(d) Financial instruments - continued

Business model assessment - continued

4) How managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

5) The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:
• contingent events that would change the amount and timing of cash flows;
• leverage features;
• prepayment and extension terms;
• terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
• Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

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 at 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.

- 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).

Notes to the Consolidated and Separate Financial Statements

2.2 Summary of material accounting policies - continued

(d) Financial instruments - continued

- Reclassifications - continued

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 among 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 that the cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.

- Modifications of financial assets and financial liabilities

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 the profit or loss statement.

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.

Notes to the Consolidated and Separate Financial Statements

2.2 Summary of material accounting policies - continued

(d) Financial instruments - continued

- Modifications of financial assets and financial liabilities - continued

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 are adjusted to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

- Impairment of financial assets

In line with IFRS 9, the Group assesses its financial instruments for impairment using Expected Credit Loss (ECL) approach.

The Group applies a three-stage approach to measuring expected credit losses (ECL) on debt instruments accounted for at amortised cost, FVOCI, loan commitment and financial guarantee contracts. Assets migrate through the following three stages based on the change in credit quality since initial recognition:

i) Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest revenue is calculated by applying the effective interest rate to the gross carrying amount.

ii) Stage 2: Lifetime ECL - not credit-impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognised. Interest revenue is calculated by applying the effective interest rate to the gross carrying amount.

iii) Stage 3: Lifetime ECL - credit-impaired

Financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. As this uses the same criteria as under IAS 39, the Group's methodology for specific provisions remains unchanged. For financial assets that have become credit-impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost rather than the gross carrying amount.

At each reporting date, the Group assesses 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 between the reporting date and the date of initial recognition.

In determining whether credit risk has increased significantly since initial recognition, the Group uses its internal credit risk grading system, external risk ratings and forecast information to assess deterioration in credit quality of a financial asset.

The Group assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Notes to the Consolidated and Separate Financial Statements

2.2 Summary of material accounting policies - continued

(d) Financial instruments - continued

- Impairment of financial assets - continued

The amount of ECL is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and all the cash flows that the Group expects to receive. The amount of the loss is recognised using an allowance for credit losses account.

The Group considers its historical loss experience and adjusts this for current observable data. In addition, the Group uses reasonable and supportable forecasts of future economic conditions including experienced judgment to estimate the amount of an expected impairment loss. IFRS 9 introduces the use of macroeconomic factors which include, but is not limited to, unemployment, interest rates, gross domestic product, inflation and commercial property prices, and requires an evaluation of both the current and forecast direction of the economic cycle. Incorporating forward looking information increases the level of judgement as to how changes in these macroeconomic factors will affect ECL. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the life time 2 or stage 3 of the ECL bucket, the Group would continue to monitor such financial assets for a probationary period of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from life time ECL (Stage 2) to 12- months ECL (Stage 1). In addition to 90 days probationary period above, the Group also observes a further probationary period of 90 days to upgrade from Stage 3 to 2. This means a probationary period of 180 days will be observed before upgrading financial assets from lifetime ECL (Stage 3) to 12 months ECL (Stage 1).

In the case of the new asset category for debt instruments measured at FVOCI, the measurement of ECL is based on the three-stage approach as applied to financial assets at amortised cost. The Group recognises the impairment charge in profit or loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount in the statement of financial position.

- Impairment of non-financial assets

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.

(e) 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 25 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 off (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.

Notes to the Consolidated and Separate Financial Statements

2.2 Summary of material accounting policies - continued

(e) Investment properties - continued

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.

(f) Interest Income and Expense

Interest income and expenses are recognised in profit or loss using the effective interest 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 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.

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.

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 net carrying amount 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.

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.

Notes to the Consolidated and Separate Financial Statements

2.2 Summary of material accounting policies - continued

(f) Interest Income and Expense - continued

Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in interest income or interest expense.

(g) Non-interest income and non -interest expense

Sharia income

Included in interest income and expense are sharia 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 instalment 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.

(h) Fees and commission income and expense

Unless included in the effective interest calculation, fees and commissions are recognised on an accrual basis as the service is provided. Fees and commissions not integral to effective interest arising from negotiating, or participating in the negotiation of, a transaction from a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts.

The same principle is applied to the recognition of income from wealth management, financial planning and custodial services that are continuously provided over an extended period of time.

(i) 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, dividends and foreign exchange differences.

(j) 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.

(k) Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with central banks, operating accounts with other banks, amount due from other banks and highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Notes to the Consolidated and Separate Financial Statements

2.2 Summary of material accounting policies - continued

(l) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes 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.

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.

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
Computer equipment	5 years
Furniture, fittings & equipment	5 years
Motor vehicles	4 years
Leasehold improvements	10 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.

Notes to the Consolidated and Separate Financial Statements

2.2 Summary of material accounting policies - continued

(l) Property, plant and equipment - continued

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.

(m) Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition, management has committed to the sale, and the sale is expected to have been completed within one year from the date of classification. The group classifies repossessed assets as non-current assets held for sale as it intends to recover these assets primarily through sales transactions.

A non-current asset ceases to be classified as 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 to 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.

2.3 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 business from issuance date of this report. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated and separate financial statements continue to be prepared on the going concern basis.

2.4 New standards and interpretation

2.4.1 New standards and interpretation issued and effective

Amendments effective for the reporting period commencing 1 January 2026 are set out on pages 32 and 33. They had no impact on the Group's interim condensed financial statements.

2.4.2 New standards and interpretation issued but not yet effective

New standards have been issued but are not yet effective for the period ended 30 September 2026; thus, it has not been applied in preparing these financial statements. The Group intends to adopt the standards below when they become effective:

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.

Notes to the Consolidated and Separate Financial Statements

2.4 New standards and interpretation - continued

2.4.2 New standards and interpretation issued but not yet effective - continued

IFRS 18 - Presentation and Disclosures in Financial Statements - continued

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.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance. This standard is effective to annual reporting periods beginning on or after 1 January 2027.

The Directors of the Group anticipate that the application of these amendments may have an impact on the financial statements in future periods.

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

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

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The amendments had no impact on the Group's interim condensed financial statements.

Annual Improvements to IFRS accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flow.

The amendments had no impact on the Group's interim condensed financial statements.

Notes to the Consolidated and Separate Financial Statements

2.4 New standards and interpretation - continued

2.4.2 New standards and interpretation issued but not yet effective - continued

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts.
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in -scope contracts.
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments had no impact on the Group's interim condensed financial statements.

Notes to the Consolidated and Separate Financial Statements

3 Interest income

	Group		Company		Group		Company	
In millions of Naira	September 2026	September 2025	September 2026	September 2025	Quarter 3 2026	Quarter 3 2025	Quarter 3 2026	Quarter 3 2025
Cash and cash equivalent	32,029	23,534	6,771	1,550	11,026	9,918	2,821	554
Debt instruments at FVOCI	57,727	45,765	-	-	19,893	17,957	-	-
Debt instruments at amortised cost	19,605	18,093	-	-	8,503	7,775	-	-
Loan and advances to customers	244,421	175,026	-	-	90,785	59,608	-	-
	353,782	262,418	6,771	1,550	130,207	95,258	2,821	554

4 Interest Expense

	September	September	September	September	Quarter 3	Quarter 3	Quarter 3	Quarter 3
In millions of Naira	2026	2025	2026	2025	2026	2025	2026	2025
Deposits from banks	21,402	15,770	-	-	15,445	13,365	-	-
Returns to investment account holders	20,570	13,419	-	-	7,730	7,301	-	-
Deposits from customers	92,425	75,104	-	-	33,089	22,983	-	-
Other borrowed funds	13,445	11,055	1,391	-	5,406	4,609	466	-
Debt securities issued	-	4,016	-	-	-	1,369	-	-
Interest on Lease Liability	42	12	-	-	32	4	-	-
	147,884	119,376	1,391	-	61,702	49,631	466	-

Returns to investment account holders represent the investors' share of profit (Mudarabah depositors) based on the pre-agreed profit-sharing ratio on their invested funds.

For the Company, other borrowed funds represent interest expense on the loan facility obtained from Sterling Bank Limited (see Note 31(i)).

5 Net Fees and commission income

Fees and commission income

	September	September	September	September	Quarter 3	Quarter 3	Quarter 3	Quarter 3
In millions of Naira	2026	2025	2026	2025	2026	2025	2026	2025
Facility management fees	9,415	6,769	-	-	3,857	3,043	-	-
Account maintenance fee	6,882	5,996	-	-	2,198	2,318	-	-
Commissions and similar income	3,477	6,346	-	-	1,378	3,487	-	-
E-business commission and fees	8,255	7,044	-	-	2,351	2,250	-	-
Commission on letter of credit and off balance sheet transactions	13,300	14,312	-	-	3,673	4,615	-	-
Other fees and commission	8,481	3,880	-	-	2,325	461	-	-
	49,810	44,347	-	-	15,782	16,174	-	-
Fees and commission expense								
Fees and commission expense	(10,184)	(8,467)	-	-	(3,026)	(2,360)	-	-
	39,626	35,880	-	-	12,756	13,814	-	-

Fees and commissions above exclude amounts included in determining effective interest rate on financial assets that are not at fair value through profit or loss.

6 Net trading income

	September	September	September	September	Quarter 3	Quarter 3	Quarter 3	Quarter 3
In millions of Naira	2026	2025	2026	2025	2026	2025	2026	2025
Bonds - FVPL	1,497	14,727	-	-	(1,142)	7,429	-	-
Treasury bills - FVPL	16,799	9,431	-	-	10,794	4,926	-	-
Foreign exchange trading	5,098	501	-	-	2,550	66	-	-
Foreign exchange revaluation gain/(loss)	(2,091)	(1,883)	-	-	2,138	(2,658)	-	-
	21,303	22,776	-	-	14,340	9,763	-	-

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 gain/(loss).

7 Other operating income

	September	September	September	September	Quarter 3	Quarter 3	Quarter 3	Quarter 3
In millions of Naira	2026	2025	2026	2025	2026	2025	2026	2025
Rental income	400	1,161	-	-	181	472	-	-
Dividends on equity securities	773	893	-	-	64	704	-	-
Dividend income from subsidiaries	-	-	3,950	-	-	-	3,950	-
Income from direct commodity trading	20,469	14,103	-	-	8,375	-	-	-
Income from Musharaka Investment	8,324	785	-	-	4,727	-	-	-
Gain/(loss) on disposal of property, plant and equipment	28	480	-	-	(6)	479	-	-
Cash recoveries on previously written off accounts	1,057	220	-	-	889	(83)	-	-
Other sundry income (see note (a) below)	9,177	2,949	8,824	2,416	3,806	8,646	3,658	637
	40,228	20,591	12,774	2,416	18,036	10,218	7,608	637

(a) The Group's other sundry income included income on Sukuk sales, financial advisory among others.

The Company's sundry income consisted of income earned from the placement of proceeds from its ordinary shares issued (₦2.4 billion), as well as income from shared services (₦6.2 billion).

Notes to the Consolidated and Separate Financial Statements

8 Credit loss expense on financial assets

	Group		Company		Group		Company	
In millions of Naira	September 2026	September 2025	September 2026	September 2025	Quarter 3 2026	Quarter 3 2025	Quarter 3 2026	Quarter 3 2025
Impairment charge on loans	43,102	10,108	-	-	18,380	4,018	-	-
Bad debt written off	73	329	-	-	41	136	-	-
Allowances no longer required	(3,034)	(2,486)	-	-	(1,886)	(1,286)	-	-
	40,141	7,951	-	-	16,535	2,868	-	-
Other financial asset impairment								
Impairment on investment securities	-	25	-	-	-	35	-	-
Impairment charge/(reversal) on other assets	140	84	-	-	72	(41)	-	-
contingents	-	25	-	-	(179)	9	-	-
	40,281	8,085	-	-	16,428	2,871	-	-

9 Personnel expenses

	September	September	September	September	Quarter 3	Quarter 3	Quarter 3	Quarter 3
In millions of Naira	2026	2025	2026	2025	2026	2025	2026	2025
Wages and salaries	52,209	38,275	2,887	1,261	20,611	16,110	1,138	517
Defined contribution plan	2,002	2,287	67	46	412	803	25	20
	54,211	40,562	2,954	1,307	21,023	16,913	1,163	537

10 Other operating expenses

	September	September	September	September	Quarter 3	Quarter 3	Quarter 3	Quarter 3
In millions of Naira	2026	2025	2026	2025	2026	2025	2026	2025
AMCON surcharge (see note (i) below)	15,493	13,457	-	-	5,165	4,566	-	-
Contract Services	14,782	10,664	-	-	5,153	4,154	-	-
Insurance	11,101	10,721	14	19	3,758	3,569	14	-
Banking Resolution Fund (see note (ii) below)	2,552	2,447	-	-	921	826	-	-
Other Professional Fees	3,070	3,462	200	132	872	1,459	57	32
	46,998	40,751	214	151	15,869	14,574	71	32

AMCON surcharge

(i) This represents the Group's contribution to a fund established by the Asset Management Corporation of Nigeria (AMCON) Act. Effective 1 January 2013, the Group's banking subsidiary (Sterling Bank Limited) 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. It is non-refundable and does not represent any ownership interest.

(ii) This represents accrual for Banking Resolution Fund Levy in accordance with provisions of sections 74 and 77 of the Banks and Other Financial Institutions Act 2020. At commencement date, the Bank is required to contribute an equivalent of 10 basis points of its total assets as at the date of its audited financial statements for the immediately preceding financial year.

11 General and administrative expenses

	September	September	September	September	Quarter 3	Quarter 3	Quarter 3	Quarter 3
In millions of Naira	2026	2025	2026	2025	2026	2025	2026	2025
Administrative expenses	15,839	9,490	376	599	3,353	(949)	133	211
Audit fees	376	310	24	21	132	109	10	7
Office expenses	8,210	9,455	17	185	1,998	3,205	4	78
Advertising and business promotion	2,620	3,119	173	61	287	1,749	78	21
Cash handling and processing expense	1,602	1,404	5	-	538	679	-	-
Branding expenses	1,256	790	30	30	427	345	-	3
Communication cost	3,138	3,041	1	51	1,063	1,075	1	22
Transport, travel, accommodation	1,974	1,712	54	50	688	554	11	23
Seminar and conferences	1,125	1,836	-	-	317	853	-	-
Rents and rates	3,660	1,176	-	-	3,009	795	-	-
Security	562	522	4	7	184	182	-	4
Other general expenses	4,720	6,055	3	25	1,130	2,123	1	(16)
Annual general meeting expenses	129	117	129	111	43	63	43	63
Stationery and printing	377	310	65	-	191	115	64	-
Directors other expenses	966	1,131	69	231	291	357	14	60
Membership and subscription	330	325	70	52	105	56	20	4
Fines and penalties	147	26	6	1	144	-	6	-
Directors fee	511	348	248	165	90	125	86	53
	47,542	41,167	1,274	1,589	13,990	11,436	471	533

12 Other property, plant and equipment cost

	September	September	September	September	Quarter 3	Quarter 3	Quarter 3	Quarter 3
In millions of Naira	2026	2025	2026	2025	2026	2025	2026	2025
Repairs and maintenance of PPE	11,891	14,675	61	195	1,168	5,979	19	52
	11,891	14,675	61	195	1,168	5,979	19	52

This represents the cost the Group incurred on assets expensed in line with the Group's capitalisation policy, cost incurred on repair, maintenance and other running cost on property, plant and equipment.

Notes to the Consolidated and Separate Financial Statements

13 Depreciation and amortisation

	Group		Company		Group		Company	
In millions of Naira	September 2026	September 2025	September 2026	September 2025	Quarter 3 2026	Quarter 3 2025	Quarter 3 2026	Quarter 3 2025
Right-of-use asset amortisation (see note 24)	1,075	1,156	-	-	540	507	-	-
Depreciation Investment Property (see note 25)	158	22	-	-	52	5	-	-
Depreciation of property, plant and equipment (see note 26)	6,813	4,195	572	64	2,495	1,485	194	27
Amortisation of intangible assets (see note 27)	804	716	-	-	324	240	-	-
	8,850	6,089	572	64	3,411	2,237	194	27

14 Income tax expense

		Group		Company		Group		Company	
	In millions of Naira	September 2026	September 2025	September 2026	September 2025	Quarter 3 2026	Quarter 3 2025	Quarter 3 2026	Quarter 3 2025
(a)	Income tax	13,232	5,066	2,284	182	5,843	2,639	805	(9)
	Windfall tax	-	350	-	-	-	350	-	-
	Education tax	-	1,611	-	20	-	833	-	1
	Capital gains tax	-	801	-	-	-	801	-	-
	Information technology levy	-	710	-	7	-	256	-	1
	Nigerian Police Trust Fund levy	-	4	-	-	-	2	-	-
	Science and Engineering Infrastructure Levy	-	121	-	-	-	9	-	-
	Development levy	2,761	-	363	-	1,047	-	363	-
		15,993	8,663	2,647	209	6,890	4,890	1,168	(7)
	Deferred tax expense:								
	Origination of temporary differences	5,917	-	328	-	9,783	-	328	-
	Total income tax expense/(credit)	21,910	8,663	2,975	209	16,673	4,890	1,496	(7)

Notes to the Consolidated and Separate Financial Statements

14 (b) *Current income tax liabilities*

The movement on this account during the period was as follows:

In millions of Naira	Group		Company	
	September 2026	December 2025	September 2026	December 2025
Balance, beginning of the period	7,896	3,382	681	953
Income tax for the period	13,232	7,499	2,284	681
Payments during the period	(7,216)	(2,985)	(681)	(953)
	13,912	7,896	2,284	681

14 (c) Deferred tax

30 September 2026	Group		Company	
In millions of Naira	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment	-	8,466	-	1,031
Unutilised tax credit (capital allowance)	3,284	-	-	-
Provisions	11,409	-	-	328
	14,693	8,466	-	1,359

31 December 2025	Group		Company	
In millions of Naira	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment	-	9,822	-	1,031
Unutilised tax credit (capital allowance)	18,675	-	-	-
Provisions	3,290	-	-	-
	21,965	9,822	-	1,031

15 Earnings per share (basic and diluted)

The calculation of basic earnings per share as at 30 September 2026 was based on the profit attributable to ordinary shareholders of ₦75,372,000,000 and weighted average number of ordinary shares outstanding of 6,640,492,364 calculated as follows:

In millions of Unit	September 2026	September 2025	September 2026	September 2025
Weighted average number of ordinary shares*	6,640	4,860	6,640	4,860

*In accordance with IAS 33.64, the weighted average number of ordinary shares from both periods has been adjusted retrospectively for the share reconstruction effective 8 October 2026 (See Note 39).

In millions of Naira	September 2026	September 2025	September 2026	September 2025
Profit for the period attributable to equity holders of the Company	75,372	62,297	10,104	451
Basic earnings per share (Naira)	11.35	12.82	1.52	0.09
Diluted earnings per share (Naira)	11.35	12.82	1.52	0.09

16 Cash and balances with Central Bank

In millions of Naira	September 2026	December 2025	September 2026	December 2025
Cash and foreign monies	29,834	30,625	-	-
Unrestricted balances with Central Bank of Nigeria	471	12,187	-	-
Restricted deposits with the Central Bank of Nigeria	694,965	718,827	-	-
	725,270	761,639	-	-

Restricted 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.

17 Due from banks

In millions of Naira	September 2026	December 2025	September 2026	December 2025
Balances held with local banks	-	7,652	953	8,471
Balances held with banks outside Nigeria	460,713	442,418	-	-
Money market placements	10,765	22,199	62,018	-
	471,478	472,269	62,971	8,471

Notes to the Consolidated and Separate Financial Statements

18 Pledged financial assets

	Group		Company	
In millions of Naira	September 2026	December 2025	September 2026	December 2025
Securities instruments measured at fair value through other comprehensive income:				
- Treasury Bills (see note (a) below)	13,663	-	-	-
- Bonds (see note (b) below)	26,382	-	-	-
	40,045	-	-	-
ECL on Pledged asset at FVOCI	-	-	-	-
Total Pledged asset at FVOCI	40,045	-	-	-
Securities instruments measured at amortised cost:				
- Treasury Bills (see note (b) below)	-	14,909	-	-
- Bonds (see note (b) below)	231	228	-	-
Other pledged assets (see note (c) below)	879	950	-	-
	1,110	16,087	-	-
ECL on Pledged asset at amortised cost	(2)	(2)	-	-
Total Pledged asset at amortised cost	1,108	16,085	-	-
Total pledged assets	41,153	16,085	-	-

The Group pledges assets that are on its statement of financial position in 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) Included in other pledged assets are cash collateral for Mastercard transactions. The deposits are not part of the funds used by the Group for day to day activities.

19 Derivative financial instruments

Group

30 September 2026	Group		Company	
In millions of Naira	Assets	Liabilities	Assets	Liabilities
Foreign currency swaps	-	2,091	-	-
	-	2,091	-	-
Notional Amount	-	-	-	-

31 December 2025	Group		Company	
In millions of Naira	Assets	Liabilities	Assets	Liabilities
Foreign currency swaps	-	1,433	-	-
	-	1,433	-	-
Notional Amount	-	71,997	-	-

20 Loan and Advances to Customers

In millions of Naira	September 2026	December 2025	September 2026	December 2025
Loans to corporate entities and other organizatior	1,749,717	1,346,002	-	-
Loans to individuals	160,326	122,630	-	-
	1,910,043	1,468,632	-	-
Less:				
- ECL Stage 1	(13,419)	(3,149)	-	-
- ECL Stage 2	(28,367)	(20,270)	-	-
- ECL Stage 3	(48,401)	(31,953)	-	-
	1,819,856	1,413,260	-	-

Notes to the Consolidated and Separate Financial Statements

21 Investment securities:

In millions of Naira	September 2026	December 2025	September 2026	December 2025
(a) *Investments fair value through profit or loss*				
- Bonds	64,736	4,655	-	-
- Euro bond	23,961	8,440	-	-
- Treasury bills	104,035	61,031	-	-
- Promissory notes	-	5	-	-
	192,732	74,131	-	-
(b) Instruments at fair value through other comprehensive income				
Debt instrument at FVOCI				
- Government bond	421,096	146,813	-	-
- Euro bond	103,077	98,306	-	-
- Corporate bonds	22,187	19,323	-	-
- Treasury bills	498,400	382,030	-	-
- Promissory notes	112,096	-	-	-
	1,156,856	646,472	-	-
(c) *Equity instrument at fair value through other comprehensive income*				
Equity securities at FVOCI	52,594	52,692	-	-
Total equity at FVOCI	52,594	52,692	-	-

	Group		Company	
In millions of Naira	September 2026	December 2025	September 2026	December 2025
(d) *Instruments at amortised cost*				
- Government bonds	25,865	69,331	-	-
- Treasury bills	-	23,172	-	-
- Promissory note	-	5,995	-	-
	25,865	98,498	-	-
Less:				
- impairment on investments at amortised cost	(16)	(55)	-	-
	25,849	98,443	-	-

22 Investment in Subsidiary

	Group		Company	
In millions of Naira	September 2026	December 2025	September 2026	December 2025
Investment in Sterling Bank Limited	-	-	284,586	241,586
Investment in Alternative Bank Limited	-	-	20,000	20,000
Investment in SterlingFi Wealth Management Ltd	-	-	10,300	300
	-	-	314,886	261,886

23 Other Assets

In millions of Naira	September 2026	December 2025	September 2026	*Restated* December 2025
Financial assets				
Accounts receivable (see note (a) below)	287,479	143,751	4,628	4,402
	287,479	143,751	4,628	4,402
Non-financial assets				
Prepayments	45,921	23,840	869	1,632
Musharaka Stock	19,984	10,546	-	-
Commodity mudaraba stocks	109,801	72,971	-	-
Prepaid staff cost (see note (b) below)	4,911	4,908	-	-
Investment-Gold Bullion	10,529	9,401	-	-
Stock (see note (c) below)	2,802	2,923	-	-
Gross other asset	481,427	268,340	5,497	6,034
Impairment on other assets	(8,091)	(8,406)	-	-
	473,336	259,934	5,497	6,034

*See details of item restated in Note 38.

(a) Included in account receivable are receivables from Parthian Capitals and SAMTL Properties in respect of loans sold to the companies.

(b) Prepaid staff costs are staff-related benefits.

(c) Stock includes cheque books, administrative stationery, among others.

Notes to the Consolidated and Separate Financial Statements

24	Right-of-use asset	Group		Company	
	In millions of Naira	September 2026	December 2025	September 2026	December 2025
	Opening balance	10,530	12,106	-	-
	Additions during the period	1,707	1,686	-	-
	Reversal	-	(1,959)	-	-
	Amortisation during the period (See note 13)	(1,075)	(1,303)	-	-
	Closing balance	11,162	10,530	-	-

25	Investment property				
	In millions of Naira	September 2026	December 2025	September 2026	December 2025
(i)	Cost				
	Opening balance	11,868	4,265	-	-
	Additions during the period	7,725	159	-	-
	Reclassification	-	8,936	-	-
	Disposal	(5,150)	(1,492)	-	-
	Balance end of period	14,443	11,868	-	-
(ii)	Accumulated depreciation and impairment	September 2026	December 2025	September 2026	December 2025
	Opening balance	210	229	-	-
	Depreciation (See note 13)	158	69	-	-
	Disposal	-	(88)	-	-
	Balance end of period	368	210	-	-
	Closing balance	14,075	11,658	-	-

The Group's investment property is measured at cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 40 Investment Property and the accounting policy in Note 2.2(e).

Notes to the Consolidated and Separate Financial Statements

26 Property, plant and equipment

The movement on these accounts during the period was as follows:

Group

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*								
Balance as at 1 January, 2026	2,567	4,969	5,340	11,823	29,302	7,197	25,338	86,536
Additions for the period	-	13	1,012	2,918	1,466	1,092	26,374	32,875
Disposals	-	-	-	(79)	(13)	(546)	-	(638)
Reclassification	-	-	1,275	9,633	2,363	200	(13,683)	(212)
Writeoff	-	-	(161)	(1,403)	(558)	-	-	(2,122)
Balance as at 30 September 2026	2,567	4,982	7,466	22,892	32,560	7,943	38,029	116,439
Balance as at 1 January, 2025	1,968	4,845	4,884	13,917	19,623	5,945	24,360	75,542
Additions for the period	599	650	441	2,387	9,379	1,268	12,769	27,493
Disposals	-	-	(49)	(332)	(243)	(16)	-	(640)
Reclassification	-	-	807	1,505	543	-	(11,791)	(8,936)
Writeoff	-	(526)	(743)	(5,654)	-	-	-	(6,923)
Balance as at 31 December 2025	2,567	4,969	5,340	11,823	29,302	7,197	25,338	86,536
(b) *Depreciation and impairment losses*								
Balance as at 1 January, 2026	236	1,010	1,582	5,229	4,715	4,405	-	17,177
Charge for the period	-	83	456	2,526	2,816	932	-	6,813
Disposals	-	-	-	(36)	(6)	(415)	-	(457)
Writeoff	-	-	(161)	(1,403)	(558)	-	-	(2,122)
Balance as at 30 September 2026	236	1,093	1,877	6,316	6,967	4,922	-	21,411
Balance as at 1 January, 2025	236	912	1,622	4,169	8,019	3,610	-	18,568
Charge for the period	-	98	486	1,881	2,379	1,050	-	5,894
Disposals	-	-	-	(7)	(43)	(255)	-	(305)
Writeoff	-	-	(526)	(814)	(5,640)	-	-	(6,980)
Balance as at 31 December 2025	236	1,010	1,582	5,229	4,715	4,405	-	17,177
Carrying amounts								
Balance as at 30 September 2026	2,331	3,889	5,589	16,576	25,593	3,021	38,029	95,028
Balance as at 31 December 2025	2,331	3,959	3,758	6,594	24,587	2,792	25,338	69,359
Balance as at 1 January, 2025	1,732	3,933	3,262	9,748	11,604	2,334	24,360	56,974

Notes to the Consolidated and Separate Financial Statements

26 (b) Property, plant and equipment

The movement on these accounts during the period was as follows:

Company

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*								
Balance as at 1 January, 2026	-	-	-	21	6,782	267	763	7,833
Additions for the period				-	12	77	13,768	13,857
Balance as at 30 September 2026	-	-	-	21	6,794	344	14,531	21,690
Balance as at 1 January, 2025	-	-	-	5	20	267	30	322
Additions for the period	-	-	-	16	6,762	-	733	7,511
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	-	-	-	21	6,782	267	763	7,833
(b) *Depreciation and impairment losses*								
Balance as at 1 January, 2026	-	-	-	2	120	152	-	274
Charge for the period				3	514	55		572
Balance as at 30 September 2026	-	-	-	5	634	207	-	846
Balance as at 1 January, 2025	-	-	-	-	1	85	-	86
Charge for the period	-	-	-	2	119	67	-	188
Balance as at 31 December 2025	-	-	-	2	120	152	-	274
Carrying amounts								
Balance as at 30 September 2026	-	-	-	16	6,160	137	14,531	20,844
Balance as at 31 December 2025	-	-	-	19	6,662	115	763	7,559
Balance as at 1 January, 2025	-	-	-	5	19	182	30	236

Notes to the Consolidated and Separate Financial Statements

27 Intangible assets

	Group		Company	
In millions of Naira	September 2026	December 2025	September 2026	December 2025
Purchased Software				
Cost				
Beginning of period	5,527	4,751	-	-
Additions	2,511	893	-	-
Reclassification	212	-	-	-
Writeoff	(556)	(117)	-	-
Balance end of period	7,694	5,527	-	-
Amortisation and impairment losses				
Beginning of period	2,322	1,488	-	-
Amortisation for the period (See note 13)	804	951	-	-
Writeoff	(556)	(117)	-	-
Balance end of period	2,570	2,322	-	-
Carrying amounts	5,124	3,205	-	-

28 Deposits from Banks

	Group		Company	
In millions of Naira	September 2026	December 2025	September 2026	December 2025
Balances due to local banks (See (i) below)	108,451	-	-	-
	108,451	-	-	-

(i) This represents clearing/settlement positions with local banks.

29 Deposits from customers

	September	December	September	December
In millions of Naira	2026	2025	2026	2025
Current accounts	2,169,547	1,981,138	-	-
Savings accounts	533,558	477,285	-	-
Term deposits	1,080,805	457,332	-	-
Pledged deposits	58,741	69,059	-	-
	3,842,651	2,984,814	-	-

30 Other borrowed Funds

	September	December	September	December
In millions of Naira	2026	2025	2026	2025
Foreign Funds				
Due to Blue Orchard (See (i) below)	8,480	18,491	-	-
Due to Islamic Corporation Development Bank (See (ii) below)	-	11,190	-	-
Due To Africa Agric and Trade Investment Fund (See (iii) below)	9,114	14,369	-	-
Due to ECOWAS Bank for Investment and Development (See (iv) below)	22,640	31,304	-	-
Due to ECOWAS Bank for Investment and Development (See (v) below)	67,344	74,315	-	-
Due to International Finance Corporation (See (vi) below)	13,410	14,431	-	-
Due To Universal Green Energy Access Programme Fund (UGEAP) (See (vii) below)	17,313	-	-	-
	138,301	164,100	-	-
Local Funds				
Due to BOI (See (viii) below)	843	1,584	-	-
Due to CBN-Agric-Fund (See (ix) below)	17,122	19,870	-	-
Due to Nigeria Mortgage Refinance Company (See (x) below)	770	1,038	-	-
Due to Excess Crude Account (See (xi) below)	10,552	11,293	-	-
Due to CBN - RSSF Fund (See (xii) below)	577	799	-	-
Due to CBN - NESF Fund (See (xiii) below)	566	677	-	-
Due to Development Bank of Nigeria (see (xiv) below)	20,318	27,230	-	-
Due to Development Bank of Nigeria (ese (xv) below)	32,501	-	-	
Due to BOI - MSME Intervention Fund (see (xvi) below)	2,043	4,848	-	-
Due to MREIF (see (xvii) below)	6,025	-	-	-
Due to Nigerian Consumer Credit Corporation Limited (see (xviii) below)	1,863	-	-	-
	93,180	67,339	-	-
	231,481	231,439	-	-

Notes to the Consolidated and Separate Financial Statements

30 Other borrowed Funds - continued

(i) 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 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.

(ii) This represents Naira equivalent of $25 million amortising Murabaha financing facilities granted in June 2021 by Islamic Corporation to hitherto Non-Interest Banking Window and now Alternative Bank Limited for the development of the private sector which expired in June 2026. The facility is at a margin of 6.21%.

(iii) 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.

(iv) This represents Naira equivalent of $50 million on-lending facility granted to Sterling Bank by ECOWAS Bank for Investment and Development granted in December 2022. The purpose of the facility is to support lending to Corporate and SMEs within 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.

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

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

(vii) This represents Naira equivalent of $13 million facility granted to Sterling Bank by Universal Green Energy Access Programme (UGEAP) in March 2026. The purpose of the facility is to support the Bank's Renewable Energy (RE) in Nigeria. The loan is for a maximum period of 7 years and attracts interest rate of 6 months SOFR + 3.60%.

(viii) This represents the outstanding balance on the funding granted to Sterling Bank by BOI under the Small and Medium Enterprise Refinancing and Restructuring Fund (SMERRF). The SMERRF is administered at an all-in interest rate of 10% per annum payable on a monthly basis, one-off fee 2% and monitoring fee of 0.125% payable on quarterly basis. The tenor of the facilities ranges between 5 years to 7 years.

(ix) 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. Sterling Bank 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.

(x) This represents a loan agreement between the Group's banking subsidiaries and Nigeria Mortgage Refinance Company PLC (NMRC) for NMRC to refinance from time to time Mortgage Loans originated by the banks with full recourse to the banks on the terms and conditions stated in the agreement. The facility was obtained during the year 2016 at an interest rate of 15.5% per annum to mature 7 September 2031.

(xi) 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 Government indicated their willingness to work with Sterling Bank on the transaction. The Osun State Government applied for N10billion, while Kwara State Government applied for N5billion. The facilities were approved at the June 2015 National Economic Council meeting. The purpose of the loans is for developmental and infrastructure projects in the states. CBN granted the loan to the states at 9% annually for 20 years.

(xii) The Central Bank of Nigeria, as part of the efforts to unlock the potential of the real sector to engender output growth, value added productivity and job creation has established a N300 billion Real Sector Support Facility (RSSF). The Facility will be used to support large enterprises for start-ups and expansion financing needs of N500 million up to a maximum of N10.0 billion. The loan tenor is 10 years with moratorium and at all in rate of 9% per annum.

(xiii) 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 ₦5bn. It is aimed at improving export financing and additional opportunities for exporters to upscale and expand their businesses in improving their competitiveness.

(xiv) This represents the carrying amount of the ₦20 billion and ₦8.4 billion facilities from DBN granted in May and July 2025 respectively. The purpose of the facilities is to support qualifying micro, small and medium enterprises. The loans are for periods of 3 years and 4 years respectively at an interest rate of 18% per annum.

(xv) This represents the carrying amount of the ₦15 billion and ₦17billion facility from DBN granted in March and September 2026. The purpose of the facilities is to support qualifying micro, small and medium enterprises. The loans are for periods of 1 year and 3 years respectively, at an interest rate of 17.5% per annum each.

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

(xvii) This balance represents the amount drawn down from the ₦10 billion facility granted in April 2026 provided by the Ministry of Finance Incorporated Real Estate Investment Fund (MREIF) to Sterling Bank Limited for on-lending to eligible homebuyers to finance the acquisition of housing units from qualified developers. The loan is for a period of 20 years at an interest rate of 6.5% per annum.

(xviii) This represents amounts drawn under a Master Financing Agreement with CREDICORP, established to facilitate increased access to consumer credit for eligible working Nigerians through the provision of funding for on-lending. The facility bears interest at 18% per annum and has tenors of up to two years.

Notes to the Consolidated and Separate Financial Statements

31 Other Liabilities

	Group		Company	
In millions of Naira	September 2026	December 2025	September 2026	December 2025
Financial Liabilities				
Creditors and accruals	57,363	86,367	278	793
Certified cheques	2,624	2,651	-	-
Defined contribution obligations	268	9	-	-
Customers' deposits for foreign trade	144,445	52,143	-	-
Term borrowing (see (i) below)	-	-	6,687	6,798
Other credit balances (see (ii) & (iii) below)	85,677	100,751	14,161	-
	290,377	241,921	21,126	7,591
Non Financial Liabilities				
Information technology levy	-	771	-	89
Windfall levy	-	971	-	-
Science and Engineering Infrastructure Levy	-	205	-	-
Development levy	2,761	-	363	-
	293,138	243,868	21,489	7,680

(i) This represents the outstanding balance on the ₦6.69 billion term loan obtained from Sterling Bank Limited. The facility is to be repaid on a monthly basis over a period of 10 years and attracts 28% interest rate.

(ii) Other credit balances for the group includes CBN FX bid cover, Bond proceed collection, e-business settlement, long outstanding draft, upfront fees on financial guarantee contract (such as Advance Payment Guarantee and Bid bond), shared payable, among others.

(iii) Other credit balances for the company relates to shared service payable.

32 Lease Liability

Movement in Lease Liability is as shown below:

In millions of Naira	September 2026	December 2025	September 2026	December 2025
Opening Balance	1,331	1,800	-	-
Additions	-	545	-	-
Lease expense	49	45	-	-
Payments during the year	(213)	(643)	-	-
Reversal*	-	(446)	-	-
Interest on lease liability**	42	30	-	-
	1,209	1,331	-	-

*This relates to lease liabilities that were derecognised during the year due to either discontinuation of lease agreement or outright purchase of leased properties by the Group.

**Interest on lease liability is included in interest expense using effective interest rate (note 4).

33 Provisions

In millions of Naira	September 2026	December 2025	September 2026	December 2025
Provisions for litigations and claims (see note (a) below)	251	217	-	-
Provisions for guarantees and letters of credit	2,394	2,119	-	-
	2,645	2,336	-	-

Movement in provisions

In millions of Naira	September 2026	December 2025	September 2026	December 2025
Balance, beginning of period	2,336	576	-	-
Additions	309	1,760	-	-
	2,645	2,336	-	-

(a) The provision amount represents litigation and claims against the Group as at 30 September 2026. These claim 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 liabilities that have crystalised from these claims. There is no expected reimbursement in respect of this provision.

Notes to the Consolidated and Separate Financial Statements

34 Capital and reserves

(a) *Share capital*

In millions of Naira	September 2026	December 2025	September 2026	December 2025
Authorised:				
68.50 billion (2025 : 54.69 billion) Ordinary shares of 50k each	34,251	27,345	34,251	27,345
Issued and fully-paid:				
68.50 billion (2025 : 54.69 billion) Ordinary shares of 50k each	34,251	27,345	34,251	27,345
Movement in nominal share capital in units				
At beginning of the period	54,690	45,458	54,690	45,458
Addition*	13,812	9,232	13,812	9,232
At end of the period	68,502	54,690	68,502	54,690
Movement in issued and fully paid share capital in million naira				
At beginning of the period	27,345	22,729	27,345	22,729
Ordinary shares issued*	6,906	4,616	6,906	4,616
At end of the period	34,251	27,345	34,251	27,345

(b) Share premium

In millions of Naira	September 2026	December 2025	September 2026	December 2025
Share premium	227,240	139,742	227,240	139,742
Movement in share premium in million naira				
At beginning of the period	139,742	108,292	139,742	108,292
Addition*	87,498	31,450	87,498	31,450
At end of the period	227,240	139,742	227,240	139,742

*In 2025, the Company issued 13,812,239,000 units of shares by way of Public Offer at a price of ₦7.00. The proceeds of the public offer were approved by the Central Bank of Nigeria and the Securities & Exchange Commission in February 2026.

(c) Statutory reserves

The other regulatory reserves include movements in the statutory reserves. Nigerian banking regulations require banks to make an annual appropriation to a statutory reserve. As stipulated by S.16(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.

(d) Fair value reserve

The fair value reserve includes the net cumulative change in the fair value on investments carried at fair value through other comprehensive income until the investment is derecognised or impaired.

(e) Regulatory risk reserve

The Central Bank of Nigeria stipulates that provisions for loans recognised in the profit or loss account be determined based on the requirements of IFRS. The IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in retained earnings should be treated as follows:

(i) Prudential impairment allowance is greater than IFRS impairment allowance: transfer the difference from the retained earnings to a non-distributable regulatory risk reserve.

(ii) Prudential impairment allowance is less than IFRS impairment allowance: 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 recognised.

(f) SMEEIS reserve

The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium-scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this is no longer mandatory. In the prior year, 10% of profit after taxation was transferred to SMEEIS reserves in accordance with Small and Medium Enterprise Equity Investment Scheme as revised in April 2005. Sterling Bank has suspended further appropriation to SMEEIS (now known as Microcredit Fund) reserve account in line with the decision reached at the Bankers' Committee meeting and approved by CBN.

(g) AGSMEIS reserve

The AGSMEIS reserve is maintained to comply with the requirement of Central Bank of Nigeria which requires banks to set aside 5% of their Profit After Tax for investment in Agri-Business/Small and Medium Enterprises. This Investment Scheme aimed at supporting the Federal Government's effort at promoting agricultural businesses as well as Small and Medium Enterprises. The fund is domiciled with the Central Bank of Nigeria.

Notes to the Consolidated and Separate Financial Statements

34 Capital and reserves - continued

(h) Re-organisation Reserve

This represents the difference between the carrying value of shares of erstwhile Sterling Bank Plc (₦151.5 billion) as at date of re-organization and the cost of shares (share capital and share premium) exchanged (₦57.13 billion).

(i) Retained earnings

Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

35 Cash and cash equivalents

For the purpose of cash flow, cash and cash equivalents include cash and foreign monies, unrestricted balances with Central Bank of Nigeria, balances held with local Banks, balances held with bank outside Nigeria and money market placements.

	Group		Company	
In millions of Naira	September 2026	December 2025	September 2026	December 2025
Cash and foreign monies (See note 16)	29,834	30,625	-	-
Unrestricted balances with Central Bank of Nigeria (See note 16)	471	12,187	-	-
Balances held with local banks (See note 17)	-	7,652	953	8,471
Balances held with banks outside Nigeria (See note 17)	460,713	442,418	-	-
Money market placements (See note 17)	10,765	22,199	62,018	-
	501,783	515,081	62,971	8,471

36 Contingent Liabilities and commitments

In the normal course of business, 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.

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.

Letters of credit and guarantees commit the Group to make payment 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 table summarises the nominal principal amount of contingent liabilities and commitments with off-financial position risk:

	Group		Company	
In millions of Naira	September 2026	December 2025	September 2026	December 2025
Bonds, guarantees and indemnities	658,379	444,813	-	-
Letters of credit	251,765	136,103	-	-
Performance bonds	24,387	31,122	-	-
	934,531	612,038	-	-

37 Events during and after the reporting period

Other than the share reconstruction which became effective on 8 October 2026 (see Note 39), 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 30 September 2026 and profit or loss and other comprehensive income attributable to equity holders on that date which have not been adequately adjusted for or disclosed.

38 Restatement of comparative information (correction of a prior period error)

Nature of correction

In its financial statements for the year ended 31 December 2025, the Company recognised dividend income of ₦5,830 million from its subsidiary, Alternative Bank Limited. On subsequent review, the Company concluded that the dividend did not meet the recognition criteria in IAS 27 Separate Financial Statements at 31 December 2025, because the Company's right to receive payment had not been established at that date.

In accordance with IAS 8, the error has been corrected retrospectively and the comparative information at 31 December 2025 has been restated. The Company's right to receive the dividend was established during 2026. A dividend of ₦3,950 million has accordingly been recognised in the period ended 30 September 2026.

The correction has no effect on the Group's consolidated financial statements, because the dividend is eliminated on consolidation.

Notes to the Consolidated and Separate Financial Statements

39 Share Reconstruction

Subsequent to the reporting date, the Company's share reconstruction exercise became effective on 8 October 2026, following the receipt of all requisite approvals. In connection with the reconstruction, trading in the Company's shares on the Nigerian Exchange Limited (NGX) was suspended from 23 September 2026 to 8 October 2026 to facilitate the implementation of the exercise and the updating of shareholders' records.

The Reconstruction was implemented on the basis of one (1) new ordinary share of 50 kobo each for every ten (10) existing ordinary shares of 50 kobo each held by shareholders. As the reconstruction became effective after 30 September 2026, share capital, share premium and other components of equity have not been adjusted in these interim financial statements.

The Reconstruction did not result in any change to the Company's total shareholders' funds, but altered the number of ordinary shares in issue and the composition of equity in accordance with the approved Reconstruction ratio. The effects of the reconstruction on share capital and the composition of equity will be reflected in the Company's financial statements for the period ending 31 December 2026.

In accordance with IAS 33 Earnings per Share (paragraph 64), where the number of ordinary shares outstanding decreases as a result of a share consolidation that occurs after the reporting period but before the financial statements are authorised for issue, earnings per share for all periods presented is calculated on the basis of the new number of shares. Accordingly, basic and diluted earnings per share for the periods ended 30 September 2026 and 30 September 2025 have been computed using the post-reconstruction weighted average number of ordinary shares of 6,640,492,364 and 4,860,400,000 respectively (see Note 15).

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