

For the year ended 31 December 2025
Registered number 05713749

LONDON | DUBAI | PARIS | MANCHESTER

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Officers and Professional Advisers

Directors

Dame (Dr.) Adaora Umeoji	Chair	(Appointed to the Board on 26 February 2025)
Dokun Omidiora	Independent Non-Executive	
Andy Gregson	Independent Non-Executive	
Alex Shapland	Independent Non-Executive	
Isla Macleod	Independent Non-Executive	
Anthony A. Ogunranti	Non-Executive	(Appointed to the Board on 27 February 2025)
Udu Ovbiagele	Chief Executive	

Company Secretary

Joseph Crowley

Registered office

39 Cornhill
London
EC3V 3ND

Main Bankers

Barclays Bank Plc, London
Citigroup, London, and New York
Standard Chartered Bank, London
HSBC, London
Societe Generale, Paris

Solicitors

Clifford Chance LLP, London

Independent Auditor

MHA
6th Floor
2 London Wall Place
London
EC2Y 5AU

Board of Directors



Dame Dr. Adaora Umeoji, OON – Board Chair & Group Managing Director/CEO

With nearly three decades of cognate banking experience and over 20 years of extensive executive management expertise in Zenith Bank, Dame Dr. Adaora Umeoji, OON has established herself as one of the leading figures within the banking sector. She is the Chairperson of Zenith Bank UK and sits on the board of Zenith Bank (Ghana) Plc as a non-executive director.

Dame Dr. Adaora Umeoji is an alumna of the prestigious Harvard Business School, where she completed the Advanced Management Program (AMP), University of Oxford with a Certificate in Economics for Public Policy, and Columbia Business School with a Certificate in the Global Banking Program. She holds a Bachelor's Degree in Sociology from the University of Jos, a Bachelor's Degree in Accounting, and a First-Class honors in Law from Baze University, Abuja. Additionally, she obtained a Master of Law from the University of Salford, United Kingdom, and a Master of Business Administration (MBA) from the University of Calabar. Her academic and professional pursuits culminated in a Doctorate in Business Administration from Apollos University, USA, with research focused on inspirational leadership which has been recognized for its significant contribution to leadership and people management.

Her commitment to continuous learning and professional excellence is demonstrated by her participation in executive management programs at esteemed institutions worldwide, including the MIT Sloan School of Management, USA, where she acquired a certificate in Economics for Business, Harvard Business School, USA with certificates in Leading Global businesses and the executive program in Strategic Management, and Wharton Business School with a Certificate in the Strategic Thinking and Management for competitive advantage program. Dame Dr. Adaora Umeoji is a Certificated Professional Banker of the Chartered Banker Institute, London, and a distinguished fellow of numerous professional bodies, including the Chartered Institute of Bankers of Nigeria, the Institute of Credit Administration, the Institute of Certified Public Accountants of Nigeria, the Institute of Chartered Mediators & Conciliators, and the Institute of Chartered Secretaries & Administrators of Nigeria among others.

Over the course of her career, Dame Dr. Adaora Umeoji has delivered keynote speeches and lead papers at prestigious academic conferences and symposia, influencing discussions on financial growth drivers and inspirational leadership. She has actively contributed to high-level bankers' meetings, driving impactful strategies for the advancement of the banking industry and national economic growth. Passionate about mentoring and youth empowerment, she has delivered motivational speeches aimed at nurturing future banking professionals and leaders.

Beyond her corporate responsibilities, Dame Dr. Adaora Umeoji is deeply committed to philanthropy and service to humanity. She founded the Pink Breath Cancer Care Foundation which educates, supports cancer patients, and promotes healthcare programs across Nigeria. She also established the Adorable Foundation with a focus on educating and providing for indigent children, particularly the Girl-Child. Her humanitarian efforts have garnered recognition from esteemed organizations, including the Nigerian Red Cross and the Sun Newspaper which recently honored her with the Humanitarian Service Icon Award for 2023.

Dame Dr. Adaora Umeoji's commitment to ethical banking led her to institute the Catholic Bankers Association of Nigeria (CBAN). She is also recognized as a Peace Advocate of the United Nations (UNPOLAC) and a Lady of the Order of Knights of St. John International (KSJI). Her advocacy efforts were further acknowledged by His Holiness Pope Francis, who conferred on her the Papal Knight of the Order of St. Sylvester.

In 2022, the Federal Government of Nigeria honored Dr. Umeoji with Officer of the Order of the Niger (OON), as a recognition of her contributions to nation building which highlights her dedication to the sustainable development of the country.

Board of Directors (continued)



Dokun Omidiora – Independent Non-Executive Director

Dokun is Chair of the Remuneration and Appointments Committee and Chair of the Strategy Committee. Dokun Omidiora's professional career extends over 30 years with major institutions in London such as PwC, S.G. Warburg (now UBS) and Citibank N.A. His senior roles covered external and internal auditing, financial controlling, money markets dealing, risk treasury management and foreign exchange dealing management.

Dokun's career covered most financial asset classes, in vanilla and derivative products. Although Dokun's career has been based mostly in the City of London, he has spent substantial periods working in other financial centres such as New York, Hong Kong and across several countries in the developing markets of Sub-Saharan Africa.

Dokun is the founder and Managing Director of IntroAfrica Group which helps foster new trade links into Sub-Saharan Africa. He is an alumnus of University of Ibadan, Nigeria, and a Fellow of the Institute of Chartered Accountants in England and Wales.



Andy Gregson – Independent Non-Executive Director

Andy is the Chair of the Audit and Compliance Committee (ACC). Andy has had an extensive career as a Non-Executive Director, Senior Executive and Consulting Partner working with global Financial Services institutions covering Banking, Capital Markets, e-Money and Payments, and Insurance.

He is currently also a Board Non-Executive Director at Vitesse PSP Limited (regulated by the FCA in the UK) and Vitesse Trust Company LLC (regulated by the NYDFS in the US). Vitesse is a leading fin-tech supporting the Insurance sector and prior to these roles Andy advised them on major regulatory change and expansion into new geographical markets. He was previously their Chief Risk & Compliance Officer.

Andy has a deep understanding of Finance, Risk, Regulation, Compliance, and Assurance, and has helped organisations to set and execute business strategy, establish effective governance and risk control frameworks, and shape and deliver significant change programs. He also brings experience having held several non-executive positions within the not-for-profit sector.

Andy is a Chartered Accountant and began his professional career with PwC and Accenture.



Alex Shapland – Independent Non-Executive Director

Alex was a former Partner at PwC and Senior Regulator with experience in UK and overseas with a wide range of Banks, Insurance companies and Financial Services regulatory bodies.

He has worked in the Financial Services Industry for over 40 years as a Banker, Regulator, Chief Operating Officer, Regulatory and Risk partner. During this time, his principal activities included providing advisory services to start up teams seeking authorisation from UK and overseas regulators as well as Corporate governance, Regulatory and Risk consultancy services. More recently, he has developed his career as an Independent Non-Executive Director of a number of banks and financial services institutions and Chair of Audit & Risk committees.

Alex possesses extensive Chair and Board Advisory experience having served on the Board of various type of entities such as Publicly quoted companies, Privately held companies, Private Equity Backed companies, Fast Growth companies, Foreign owned UK subsidiary and mutual operating models.

Alex is an Associate member of the Chartered Banker Institute, UK.



Isla Macleod – Independent Non-Executive Director

With more than 20 years' experience working for global news publishers including the Financial Times and BBC Global News, Isla is a trilingual executive with a proven track record of delivering results through clear strategic vision and strong commercial acumen. She has extensive experience of change management and building and leading teams across Western and Central Europe and Central Asia and more recently, was responsible for expanding the commercial footprint across Sub-Saharan Africa.

With experience of advising business leaders and key decision makers in both public and private sector corporations, Isla has led in the crafting and executing of global media and communications strategies. She has worked across a broad range of sectors - from Government, DTI, Nation Branding, Financial services, Travel and Tourism, Luxury, Petrochemical and Mining. She has advanced skills in strategy development to underpin investment, marketing and business development and has a robust understanding of digitisation of news services based on user consumption habits. Isla holds a BA (Hons) French and German from Royal Holloway, University of London and she speaks both languages.

Board of Directors (continued)



Anthony Akindele Ogunranti – Non-Executive Director

Mr. Akindele Ogunranti is a seasoned banker with over 30 years' experience spanning Banking Operations, Corporate, Commercial, Retail, Branch Banking and the Public Sector.

He joined Zenith Bank Plc in 2004 and has held several leadership roles. He previously managed the Bank's relationships with Multilateral Institutions and Export Credit Agencies, and served as Group Head for Power & Infrastructure, Oil & Gas, and Structured Trade & Project Finance. He currently oversees Corporate Banking, Oil & Gas, and the Bank's Business portfolios across Lagos, South-West, and South-South regions. He also leads the Bank's Technology Group and is responsible for its digital transformation.

Prior to his appointment as an Executive Director in Zenith Bank PLC, he was MD/CEO of Zenith Bank Ghana Limited, where he delivered outstanding results. Under his leadership, the bank was named Bank of the Year 2020 and Best Bank in Ghana 2021. He was a two-time recipient of the CEO of the Year Award, Banking Category, in Ghana.

Mr. Ogunranti holds a B.Sc. (Hons) in International Relations from Obafemi Awolowo University, Ile-Ife; an MBA and an M.Sc. (Hons) in Banking and Finance from the University of Ibadan.

His executive education includes Moody's Credit Academy, UK; the Executive Development Program at The Wharton School, USA; and the Leading Change and Organisational Renewal Program at Harvard Business School, USA.

He is a Member of the Boards of Zenith Bank UK Limited, Zenith Nominees Ltd, Africa Finance Corporation, and Lagos State Security Trust Fund. He previously served as member of the Mastercard Africa Leadership Council, Executive Committee of the Ghana Association of Bankers and the Governing Council of the National Banking College, Ghana.

He is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria, Honorary Fellow of the Chartered Institute of Credit Management, Ghana, and Member of the Nigerian Institute of Management. In 2021, he received the Distinguished Alumnus Award from Obafemi Awolowo University, Ile-Ife.



Udu Ovbiagele – Chief Executive Officer

Udu holds a Bachelor's degree in Economics and International Relations from the University of Reading, England, and an MBA in International Business from The Birmingham Business School, University of Birmingham, England. He also holds a Post Graduate Certification in The Mechanics of International Trade & Finance (CITF) jointly awarded by the London Institute of Banking & Finance (LIBF) and Middlesex University, London, England. He is a certified Commercial Banking and Credit Analyst (CBCA), awarded by the Corporate Finance Institute (CFI) of Vancouver, Canada. He is also a Fellow of the Chartered Institute of Bankers (FCIB), and well as a Fellow of the National Institute of Credit Administrators (FICA). He is an alumnus of the London Business School where he has undertaken executive level leadership training.

Udu commenced his banking career in Zenith Bank Plc's Domestic Operations Group which offered him a firm grounding of the various aspects of the Bank's operations, prior to him venturing into the wide spectrum of Corporate Banking at the Group's Head Office. His vast banking experience spans over two decades and cuts across various sectors including manufacturing, trading, hospitality, non-bank financial institutions, commercial real estate & Infrastructure, Project finance, Investment Banking, Development Finance, Telecomms, Agency Banking, Financial Technology and International Trade and finance. He has served in various supervisory capacities over the years, and as such has been actively involved in business development, corporate strategy, facility structuring, loan syndication and income optimisation. Prior to his appointment as CEO, Udu was the Zenith Bank (UK) Ltd Executive Director overseeing the Trade Finance Group, Correspondent Banking Group, the Dubai Branch, the Multinational Corporates Group, the Institutional Banking Group as well as the Digital Marketing Group.

Udu has been exposed to various training and management programmes, some of which include Treasury, Correspondent Banking, Bond and FX trading, Trade Services, Financial Control, Advanced Credit analysis, Risk Management, Internal Control, and Compliance. He has also played key roles in several development projects in the Group including, but not limited to, electronic business, Investment Banking and Credit Risk Management.

Directors' Report

The Directors are pleased to present their annual report and the audited statutory financial statements of Zenith Bank (UK) Limited ("Bank", "Company", "ZBUK", "Zenith UK") for the year ended 31 December 2025.

The Bank was incorporated and registered in England & Wales in 2006 and is domiciled in the United Kingdom. The Bank's registered number is 05713749, and registered office and principal place of business is located in England and situated at 39, Cornhill, London EC3V 3ND. The Bank is limited by shares and fully owned by the parent and ultimate parent undertaking, Zenith Bank Plc, a Bank incorporated in Nigeria.

The Bank has a branch in Dubai which is registered at Office 1301C, North Tower, Emirates Financial Towers, DIFC, Dubai, United Arab Emirates, and a branch in Paris which is registered at 21 Rue de la Paix, 75002, Paris Cedex, France.

Principal activities

Details of the Bank's principal activities are contained in the Strategic Report.

Financial Instruments

The financial risk management objectives and policies are covered under Note 37 to the financial statements.

Financial Results and Dividend

The Bank's profit for the year after taxation amounted to US\$ 48,487,744 (2024: US\$ 42,223,349). The Directors do not recommend the payment of a dividend for the year ended 31 December 2025 (2024: US\$ Nil).

Political contributions and charitable donations

During the year, the Bank made charitable donations of US\$ 27,025 (2024: US\$ 25,129). No political donations were made during the year (2024: US\$ Nil).

Research and Development

The Bank did not undertake any research and development activities during the current year, and no expenditure was incurred in this area (2024: US\$ Nil).

Directors and Directors' interests

The Directors of the Bank who were in office during the year and up to the date of signing the financial statements were:

Dame (Dr.) Adaora Umeoji	Chair	(Appointed to the Board on 26 February 2025)
Dokun Omidiora	Independent Non-Executive	
Andy Gregson	Independent Non-Executive	
Alex Shapland	Independent Non-Executive	
Isla Macleod	Independent Non-Executive	
Anthony A. Ogunranti	Non-Executive	(Appointed to the Board on 27 February 2025)
Udu Ovbiagele	Chief Executive	

None of the Directors who held office at the end of the financial year had any direct or indirect interest in the shares of the Bank except below:

The following Directors held indirect interests in the Bank shares via their associations with the Parent entity:

- Dame (Dr.) Adaora Umeoji is the Zenith Group CEO and MD and a shareholder (0.914% ownership)
- Mr. Anthony Ogunranti is a shareholder (0.090% ownership)
- Mr. Udu Ovbiagele is a shareholder (less than 0.001% ownership)

Directors' Report (continued)

Future Prospects and Going Concern

The Bank's principal activities, business model and the factors likely to affect its future development and performance, including financial risk management, are set out in the Strategic Report.

In assessing prospects and the appropriateness of the going concern basis, the Directors considered the current global macroeconomic and geopolitical environment, including ongoing conflict and uncertainty in parts of Europe, the Middle East and Africa. While these conditions contribute to broader market volatility, the Directors do not consider them to give rise to a material risk that would compromise the Bank's ability to continue operations.

The Directors have reviewed the Bank's profitability, capital adequacy, liquidity strength and funding profile. As at 31 December 2025, the Bank maintained capital and liquidity ratios comfortably above regulatory requirements and demonstrated resilience through internal stress testing under severe but plausible scenarios.

On that basis, the Directors are satisfied that it remains appropriate to adopt the going concern basis in preparing the Bank's financial statements and confirm that there are no material uncertainties that would cast significant doubt on the Bank's ability to continue as a going concern.

Please refer to the 2026 Outlook section of the Strategic Report for further commentary on the Bank's future prospects.

Employees

The Bank remains committed to investing in the development of its employees and to ensuring the effective distribution of information on key matters to them. Employees are consulted regularly to obtain their views, especially on matters that involve decisions that are likely to affect them.

The Bank recognises its corporate social responsibility and statutory duty as an equal-opportunities employer and builds its business in the belief that people from different cultures and different walks of life create value. The Bank believes it has the right mix of people and the fusion of different ideas that provide the essential components for progress and success. The Bank also seeks to ensure that employees continue to deliver the core values, which are embedded in the culture of the organisation.

The Bank's commitment to Diversity, Equality and Inclusion ("DEI") helps attract staff and improves talent-retention and performance.. The Bank supports employee growth and development through training and development programs. These initiatives help employees build the necessary knowledge, skills, and competencies to deliver quality services to customers and stakeholders.

During the year, the Bank continued its engagement with Investors in People ("IIP") as part of its commitment to strengthening organisational culture, leadership capability and employee experience. Independent assessment and structured feedback mechanisms provide management and the Board with external benchmarking insights, which are used to inform continuous improvement initiatives across diversity, inclusion, professional development and workforce engagement.

The Bank maintained its Silver three-year IIP accreditation, which recognises sustained commitment to employee development, health and wellbeing.

Customers

As set out in the Strategic Report, the Bank maintains close contact with its clients. A team of experienced Relationship Managers interacts with the Bank's customers regularly to ensure that views and perspectives are taken into consideration in developing the Bank's business strategy. In addition, the Bank complies with the Financial Conduct Authority's Consumer Duty and Treating Customers Fairly rules.

Investor

The Bank has one shareholder, Zenith Bank Plc. The investor, Zenith Bank Plc, is represented on the Board of ZBUK with up to two Non-Executive members.

All views expressed are deliberated upon by the Bank's Board and decisions reached are approved for execution and implementation by Executive Management. The ultimate responsibility for decision-making rests with the Bank's Board of Directors. Quarterly Board meetings as well as two Board Committee strategy meetings are held to strengthen this oversight and governance responsibility.

Directors' Report (continued)

Third-party indemnities

The Articles of the Bank provide, as far as permitted by relevant legislation, that the Bank may indemnify a director against any liability incurred by or attaching to them in connection with any negligence, default, breach of duty or breach of trust in relation to the Bank, other than any liability to the Bank or any liability referred to in Sections 243 (3) of the Companies Act 2006, any liability incurred by or attaching to them in connection with the Bank in its capacity as a trustee of an occupational pension scheme and any liability incurred by or attached to them in the actual or purported execution and/or discharge of their duties or the exercise or purported exercise of their powers. This third-party indemnity was in force during the financial year and up to the date of signing the financial statements.

Engagement with the Financial Reporting Council

The Audit Quality Review ("AQR") team of the Financial Reporting Council ("FRC") selected MHA's statutory audit of Zenith Bank (UK) Limited's Annual Report & Accounts for the year ended 31 December 2023 for review as part of its regular inspection programme.

The FRC provided a copy of their report to the Chair of the Audit and Compliance Committee ("Committee"). The Committee reviewed and discussed the findings in the report and noted the recommendations made as well as the proposed actions to be taken by MHA in their audit of the Bank's financial statements.

Independent auditor

The auditor, MHA, previously traded through legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

MHA will be proposed for reappointment at the Annual General Meeting in accordance with section 485 of the Companies Act 2006.

Other information

An indication of likely future developments in the business and particulars of significant events, which have occurred since the end of the financial year, has been included in the Strategic Report.

Subsequent Events

As disclosed above, the Directors confirm that there are no significant events since 31 December 2025 that require disclosure or adjusting in the financial statements.

Approved by the Board of Directors on 13 March 2026 and signed on its behalf by:



Udu Ovbiagele

Chief Executive Officer

13 March 2026

Company Registration No. 05713749

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, Directors must not approve the financial statements unless they are satisfied that these give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- as far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors on 13 March 2026 and signed on its behalf by:



Udu Ovbiagele

Chief Executive Officer

13 March 2026

Company Registration No. 05713749

Strategic Report

Overview

The Directors present their strategic report on the Bank for the year ended 31 December 2025.

Zenith Bank (UK) Limited ("the Bank") reported a Profit Before Tax (PBT) of US\$ 64.7 million for the year ended 31 December 2025 (2024: US\$ 56.3 million). Total Comprehensive Income for the year was US\$ 53.7 million (2024: US\$ 46.1 million). This represents a 15% increase in PBT compared to the prior year, demonstrating a recovery in profitability.

The improved performance was mainly driven by a combination of stronger net interest income and non-interest income, despite ongoing market volatility and continued strategic investments to support future growth.

Net Interest Income

Net interest income increased to US\$ 84.9 million in 2025 (2024: US\$ 80.3 million), representing growth of 6%. Interest income rose by 2% to US\$ 152.9 million (2024: US\$ 150.5 million). This growth reflected a modest expansion in the interest-earning asset base, driven primarily by an increase in loans and advances to customers, which grew to US\$ 647 million (2024: US\$ 444 million). Additionally, loans and advances to banks increased to US\$ 196 million (2024: US\$ 113 million), alongside increased deployment into interest-earning securities and interbank placements, consistent with the Bank's strategy to expand core banking activities.

Concurrently, the Bank successfully managed its funding costs. Interest expense decreased by 3% to US\$ 68.0 million (2024: US\$ 70.1 million). This reduction reflects the ongoing benefits of the Bank's strategic funding diversification, as it moved towards a more stable and optimised deposit mix with reduced reliance on higher-cost short-term funding.

The combined effect contributed to an improvement in the Bank's net interest margin for the year. The Bank continues to monitor interest rate and margin dynamics closely, given the evolving macroeconomic environment and competitive funding conditions.

Non-Interest Income

Non-interest income totalled US\$ 19.4 million (2024: US\$ 4.9 million). This substantial increase was primarily driven by:

- Fee and commission income growth of 29% to US\$ 12.5 million (2024: US\$ 9.7 million), indicating improved trade flows.
- Trading and other income rising by 18% to US\$ 4.7 million (2024: US\$ 4.0 million), supported by sustained client activity in foreign exchange and fixed income markets.
- Net gains of US\$ 1.7 million on disposal of FVOCI securities (2024: net loss of US\$ 0.2 million), reflecting active portfolio management.

Net fee income improved in 2025, reflecting the absence of the one-off derecognition loss of US \$7.5 million recognised in 2024 in connection with the Ghanaian restructuring, which did not recur in the current year.

The Directors consider the diversification of income sources beyond interest earnings a strategic priority, to support the generation of stable and resilient operating income.

Operating Expenses

Total operating expenses were contained at US\$ 42.5 million (2024: US\$ 37.3 million). The increase of 14% year-on-year reflects continued investment in strategic priorities.

- Personnel expenses increased by 11% to US\$ 25.4 million (2024: US\$ 22.9 million), reflective of strategic hiring in line with business priorities and includes support for the Paris branch.
- Depreciation and amortisation increased to US\$ 2.2 million (2024: US\$ 1.7 million).
- Other operating expenses rose to US\$ 14.9 million (2024: US\$ 12.7 million), driven by infrastructure, technology investment, and professional services aligned with regulatory expectations.

Cost discipline remains an ongoing management focus, with investment directed toward sustainable growth, operational resilience, and regulatory compliance.

Strategic Report (continued)

Other Items (Impairment and Credit Risk)

The Bank recorded an impairment credit on financial assets of US\$ 2.9 million in 2025 (2024: net credit of US\$ 8.2 million).

The current year charge reflects a combination of portfolio actions and updates to sovereign risk assessments. In particular, following the upgrade of the Ghanaian government's credit rating, the Bank removed a US\$ 3.3 million management overlay previously held against Ghana sovereign exposures. In addition, the Bank disposed of certain Ethiopia-related exposures during the year, resulting in the release of associated Expected Credit Loss allowances totalling US\$ 1.4 million.

The Bank continues to apply a prudent and forward-looking approach to credit risk provisioning under IFRS 9, supported by governance overlays where appropriate.

Liquidity and Asset Composition

Total assets increased to US\$ 3.0 billion (2024: US\$ 2.6 billion), reflecting growth in core banking assets and investment portfolios.

Cash and cash equivalents remained robust at US\$ 428 million (2024: US\$ 480 million).

Net loans and advances to customers increased by 46% to US\$ 647 million (2024: US\$ 444 million), supporting growth objectives. Securities measured at FVOCI remained substantial at US\$ 1.5 billion (2024: US\$ 1.4 billion).

The Bank maintained robust liquidity metrics throughout the year and remained within all applicable regulatory liquidity requirements.

Liability and Funding Strategy

Total customer deposits increased by 21% to US\$ 1.1 billion (2024: US\$ 871 million), demonstrating success in broadening the deposit base. Deposits from banks increased to US\$ 1.47 billion (2024: US\$ 1.29 billion).

Repurchase agreements reduced significantly to US\$ 14 million (2024: US\$ 89 million), reflecting reduced reliance on short-term wholesale funding.

This funding rebalancing enhances liquidity resilience and reduces concentration and refinancing risk.

Equity and Capital Position

Total equity increased to US\$ 436 million (2024: US\$ 382 million), driven primarily by retained earnings of US\$ 295 million (2024: US\$ 246 million).

The Directors did not approve the payment of dividend, in line with the strategic objective of supporting capital strength and international expansion.

The Bank remained compliant with all regulatory capital requirements throughout the year, maintaining a strong buffer above minimum thresholds.

The Directors consider that the Bank's performance in 2025 reflects disciplined execution of its core strategy, supported by prudent balance sheet management, robust risk governance, and continued progress in international expansion.

This Strategic Report has been prepared in accordance with Sections 414A–414C of the Companies Act 2006 and provides a fair review of the Bank's business, performance, position, strategy and principal risks.

Business Model

The Bank markets and offers a range of Banking products and services to its target clients, which are Sub-Saharan African companies, international corporations, commodity traders, investment Banks, institutional investors, governments, and supranational organisations as well as High Net worth Individuals ("HNIs").

Zenith UK's product offerings and reliable services are aimed at enhancing clients' experience and creating convenient banking arrangements for its clients. Products and services are delivered through differentiated services, which reflect the Bank's in-depth understanding of its clients' business needs, proven knowledge of multiple African markets and efficient execution of transactions.

Strategic Report (continued)

The Bank generates revenues through the provision of credit facilities to corporate customers and HNIs, participating in revolving credit facilities, investment mortgages, trade finance facilities and risk participation lending, infrastructure and project financing, and football receivables financing. On a proprietary level, the Bank also invests in Eurobonds and securities issued by governments and Banks, and on a customer level, processes Letters of Credit and related trade services and payments. Its clients include members of the Zenith Bank Group, corporates, small and medium scale organisations, financial institutions, banks, and individuals (Wealth Management clients).

The Bank's core target markets and business/service lines have remained unchanged since prior year and are as follows:

Target Markets	Service/ Business Lines
Zenith Bank Group	Trade Finance and Correspondent Banking
Corporates	Trade, Working Capital, Project Financing and Receivables Financing
Sub-Saharan Africa and Europe	Foreign Exchange ("FX") and Fixed Income Securities Trading activities
Banks, Financial Institutions, Governments and Government Agencies	Lending to Financial Institutions, Forfaiting and Cash Management solutions
High Net Worth Individuals ("HNIs")	Investment mortgages, Deposits and Eurobond trading

International expansion

Zenith Bank (UK) Dubai Operations

Zenith Dubai operations are managed as an integral part of Zenith London activities. It facilitates trade and investment through the London office. All transactions introduced by the Dubai office are recorded in the books of the London operations, as it does not have separate assets, liabilities, or equity.

The Dubai office operates as a representative presence and does not constitute a separately capitalised branch.

Zenith Bank (UK) Paris Branch

To support Zenith Group's strategy of extending its global footprint, ZBUK has established a Branch in France.

2025 represents the first full year of operations for Zenith Paris following its initial establishment phase in November 2024. The Branch is developing its franchise in line with its approved business plan and agreed business model.

The Paris Branch is primarily funded through capital allocated by ZBUK and targets the French market, creating opportunities to access Francophone African markets. The Branch provides products and services through Trade Finance, Treasury, and Corporate Lending activities to complement Zenith UK's existing offerings.

The Directors will continue to monitor the Branch's performance, governance, and regulatory alignment closely as it scales.

Additional UK Branch

The Bank intends to expand its UK footprint through the establishment of a new branch in a major UK city.

2025 Business Review

Zenith Bank (UK) Limited is a UK-regulated wholesale bank focused on trade finance, treasury activities, and corporate and institutional banking, supporting clients across the UK, Nigeria and selected international markets.

The Bank's financial performance in 2025 marked a return to growth, with Profit Before Tax of US\$64.7 million (2024: US\$56.3 million), an increase of 15%. This was supported by a stronger net interest margin and a significant recovery in non-interest income.

Operating Income increased to US\$104.3 million (2024: US\$85.3 million), driven by a 6% rise in Net Interest Income to US\$84.9 million and Non-Interest Income of US\$19.4 million (2024: US\$5.0 million), benefiting from improved fee-based revenues, trading income, and gains from securities disposals as part of active balance sheet management.

Strategic Report (continued)

Cost efficiency improved, with the cost-to-income ratio (excluding credit losses) reducing to 40.8% (2024: 43.7%). Return on Equity increased to 11.9% (2024: 11.8%) and Return on Assets remained stable at 1.7% (2024: 1.6%).

Credit risk remained a key area of focus. The net impairment credit on financial assets was US\$2.9 million (2024: net credit of US\$8.2 million), reflecting portfolio growth and updated credit risk parameters. This includes releases of US\$1.2 million following the Ghana sovereign upgrade and US\$1.35 million arising from the disposal of Ethiopia-related exposures.

During the year, the Bank continued to expand its lending activity across core corporate, trade finance and syndicated exposures, while strengthening its funding profile through growth in stable customer deposits and the retention of earnings to support capital resilience. The Bank maintained strong liquidity and capital positions throughout the year and remains well positioned to execute its strategic priorities and navigate an evolving risk and regulatory environment into 2026.

Operating Environment

The Bank's strategy is mainly influenced by the geographic diversity of its exposures and associated risks. With a presence in multiple countries, ZBUK has significant exposures in the USA and UK, primarily through High-Quality Liquid Assets ("HQLA") held for liquidity management and regulatory compliance. The Bank is exposed to Nigeria, Sub-Saharan Africa ("SSA") and others through its core business and lending activities.

The distinct economic conditions in each jurisdiction impact the Bank's risk management practices and business operations, requiring tailored approaches to mitigate risks and capitalise on opportunities.

The Directors believe that the Bank's business, operations, and profitability are more likely to be impacted by changes in the economies of these identified jurisdictions than by developments in other countries to which the Bank is also exposed. Consequently, monitoring the socio-political landscape and economic shifts in these key markets is considered crucial for the Bank to adapt its risk management strategies and responses effectively, in order to address the potential operational, conduct, capital, liquidity, asset quality and profitability implications arising from such changes.

US Dollars is regarded as the functional and presentational currency of the Bank.

ZBUK's balance sheet comprises c.73% of assets which are denominated in US Dollars (2024: c.78%). Consequently, the Bank is subject to interest and exchange rate risks and volatility that are associated with US Dollars.

The Bank is domiciled in the United Kingdom and is regulated by the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA"). Additionally, ZBUK is exposed to GBP Sterling exchange rate risks and volatilities because it incurs a significant portion of its operating costs in GBP Sterling.

Nigeria remains a core market to ZBUK, as it accounts for a significant proportion of the Trade Finance business which derives from Zenith Bank Plc, the Parent entity and other members of the Zenith Group. Furthermore, ZBUK holds investments in some of the instruments issued by the Nigerian Government and the Central Bank of Nigeria, respectively. Although Nigeria is the Bank's core market, ZBUK is not directly impacted to exchange rate volatility of the Naira due to immateriality of Naira-denominated exposures of the Bank.

Business Structure

Zenith Bank (UK) Limited conducts its business activities through its Treasury, Corporate Banking, Financial Institutions, Multinationals and Wealth Management Business Units, respectively. The Corporate Banking business is subdivided into the UK, Dubai, and Paris branches. The Dubai and Paris operations are regulated by Dubai Financial Services Authority ("DFSA") and *Autorité de Contrôle Prudentiel et de Résolution* ("ACPR") respectively.

The Bank's Treasury function ("Treasury") manages the firm's liquidity, capital, and net open positions. Treasury also manages activities associated with ZBUK's Investments and Fixed Income Securities and foreign currency trading.

Each Business Unit ("BU") has assigned revenue generation and business development responsibilities. Collectively, the BUs are responsible for promoting cross-selling opportunities of the Bank's offerings and services.

Strategic Report (continued)

The mix of operating income generated by BUs is presented below:

Treasury	65% (2024: 68%)
Corporate Banking (including Dubai Operations)	19% (2024: 21%)
Financial Institutions	14% (2024: 17%)
Multinational	4% (2024: <1%)
Wealth Management	<1% (2024: <1%)
Paris	<1% (2024: Nil)

The Bank's business structure, with diverse units including Corporate Banking, Treasury, and Wealth Management, highlights its approach to revenue generation and financial services. The Treasury function's significant contribution to the operating income underscores the importance of liquidity and capital management in the Bank's overall strategy.

Strategy

The Bank's strategy for delivering its business model involves the following combination of activities:

- Leveraging the strength of the Zenith brand and focusing on longstanding and new relationships from Sub-Saharan Africa ("SSA") and other parts of the world to drive international business network expansion to support long term growth.
- Maintaining a robust risk management framework, regulatory compliance, and corporate governance structure to conduct its business responsibly within tolerable risk levels.
- Utilising the Zenith Group's in-depth understanding of specific trade and correspondent business to develop its relationships with banks and financial institutions in the West African sub-region and encouraging them to route their transactions through Zenith UK.
- Developing lending activities on international trade and export transactions, including discounting trade bills for companies, and providing short-term credits to financial institutions.
- Building upon SSA knowledge and extending treasury product offerings to meet the needs of clients that require comprehensive services (including foreign currency exchange to financial and corporate institutions, and SSA bond trade offering to Institutional and Wealth Management clients)
- Promoting cross-selling of products and services by the Bank's business units: enabling client acquisition growth, creating capital capacity for trade finance activities, and efficiently managing the Bank's liquidity. This also involves offering wealth management solutions to High-Net-Worth Individuals ("HNIs") and ultimate beneficial owners ("UBOs") of large institutions. Activities such as making marketing calls, visits (where practicable) and introduction of key customers to other business units within the Bank are also adopted in these efforts.

The Bank seeks to ensure that its portfolio of assets is well-diversified across industries and geographies.

Principal Risks

The Business and Operational risks are managed through the implementation of the Bank's Enterprise Risk Management Framework ("ERMF") and supported by a conservative risk culture. The Bank's risk management structure includes established processes of compiling and reporting against key risk indicators that provide an early warning system for the Bank's Principal Risks.

The Bank's risk management model adopts the "three lines of defence" approach. The first line of defence comprises all business and operational functions across the Bank, including client-facing, trading, finance, operations and support teams. These functions are responsible for owning and managing risks on a day-to-day basis through the effective operation of controls and the timely escalation of risk events and issues.

The second line of defence comprises the independent Risk and Compliance functions, which provide oversight, challenge and guidance, and support the development of policies, risk frameworks and monitoring activities to ensure risks are managed within the Bank's risk appetite.

Strategic Report (continued)

The third line of defence is provided by the Internal Audit function, which delivers independent assurance to Executive Management and the Board on the effectiveness of governance, risk management and internal control arrangements across the Bank.

Management of risk is embedded at each level of the Bank, with mitigating control activities documented to support consistent identification, management and control of risks. The Bank's Risk Appetite Statement ("RAS") defines the level of risk that ZBUK is prepared to accept across the risk spectrum and is a key input to decision-making processes, informing financial planning, strategy formulation, product development and changes to business initiatives.

Zenith UK's RAS sets out qualitative and quantitative metrics that cover prudential, credit, operational and market risks. The Board receives regular information in respect of the Bank's risk profile. New and emerging risks are also identified and evaluated as part of strategy development and horizon scanning. Where these are considered significant, appropriate metrics are defined for measuring and monitoring them.

The Risk Department is responsible for identifying, monitoring and reporting these risks at different Executive and Board Committees for deliberation and action as considered necessary. Prudential requirements are managed through detailed planning and stress assumptions contained in the Internal Capital Adequacy Assessment Process ("ICAAP") and Internal Liquidity Adequacy Assessment Process ("ILAAP") documents, which are updated regularly by the Bank's Executives and reviewed by the Board Risk Committee.

The Bank produces its Recovery Plan and Resolution Pack, with appropriate triggers for specific management actions for each stressed scenario considered plausible.

Uncertainties are addressed through management's use of severe-but-plausible stress testing, scenario analysis, sensitivity analysis and horizon scanning, recognising that macroeconomic, geopolitical, regulatory and market conditions may evolve in ways that are difficult to predict and may materially affect the Bank's performance, financial position and prospects.

Basis for identifying Principal Risks and Uncertainties

The principal risks and uncertainties set out below are those that, individually or in combination, could threaten the Bank's business model, future performance, solvency, liquidity or reputation. These risks are assessed using a structured approach that considers the potential impact and likelihood of crystallisation, together with the speed at which a risk could materialise ("risk velocity") and the extent to which mitigating actions could be deployed effectively.

The determination of "principal" is made through the Bank's Enterprise Risk Management Framework ("ERMF") and Risk Appetite Statement ("RAS") and is subject to Board and senior management oversight. Risks are evaluated by reference to a combination of (i) materiality, including potential financial, capital, liquidity, regulatory or reputational impact; (ii) the extent to which the risk is idiosyncratic to the Bank's business model, client base and geographic footprint; and (iii) criticality to the continuity of the Bank's operations, including the delivery of critical services and the maintenance of safe and compliant operations.

The list of principal risks is reviewed at least annually as part of the strategy, ICAAP/ILAAP and risk appetite cycle, and is refreshed where necessary to reflect emerging risks identified through horizon scanning, stress testing, scenario analysis, risk event learning and changes in the operating or regulatory environment.

The Board Risk Committee reviews the principal risks assessment and recommends the final set of principal risks for Board approval.

Additional detail on credit and market risk management is provided in the Risk Management section and relevant notes to the financial statements, where applicable.

Strategic Report (continued)

Principal Risks	Definition	How Risks are Mitigated and Managed
Regulatory and Compliance Risk	Risk arising from failure to comply with applicable laws, regulations, supervisory expectations or internal policies, including weaknesses in compliance oversight, governance or regulatory change management. Risk Trend: Regulatory and compliance risk remained elevated, reflecting an increasingly complex supervisory environment and the scale of ongoing regulatory reform initiatives. Uncertainty Direction: Supervisory expectations may evolve, implementation timelines may tighten, or compliance failures could lead to heightened intervention or remediation demands. Going Concern Link: Sustained regulatory non-compliance could constrain strategic flexibility and increase capital or operational requirements, impacting viability; compliance remains integral to the going concern assessment.	The Bank applies the three-lines-of-defence framework, with the first line responsible for operating controls, Compliance providing independent oversight, and Internal Audit providing independent assurance. Enterprise-wide compliance risk assessments inform monitoring programmes and control testing. Board and Executive Management oversee material compliance matters, regulatory engagement and timely remediation of findings.
Operational Risk	Risk of loss resulting from inadequate or failed internal processes, human behaviour and systems, or from external events. This includes risks arising from change delivery, technology resilience and cyber security, third-party dependency, data quality and processing, and people risks (capacity, capability and key person dependency). Risk Trend: Operational risk increased modestly in line with heightened change activity and the evolving operational resilience landscape. Uncertainty Direction: Risks may crystallise rapidly through cyber incidents, third-party outages, project delivery delays or control failures, particularly during transformation activity. Going Concern Link: A major operational disruption could impair critical services or regulatory compliance; operational resilience is therefore a core component of the Bank's viability and recovery planning framework.	Operational risk processes are governed by the Operational Risk policy approved by the Board. Controls are embedded in day-to-day processes, supported by incident reporting, KRIs and independent assurance from Internal Audit. Material change is managed through governance and change control processes, including oversight of delivery risk and third-party performance. Technology and cyber risks are managed through a layered control environment, including information security governance, incident response, access controls, supplier due diligence, and regular operational resilience and business continuity testing.

Strategic Report (continued)

Principal Risks	Definition	How Risks are Mitigated and Managed
Credit Risk	Risk arising from the uncertainty of an obligor's ability to perform its contractual obligations, including the risk of default or a borrower failing to make required payments when they fall due. The Bank is exposed to credit risk through lending activities, commitments to extend credit, guarantees, letters of credit, securities purchased and derivative instruments where counterparties owe a financial obligation to the Bank. Risk Trend: Credit risk remained broadly stable during 2025, with increased lending activity managed within the Bank's approved risk appetite and underwriting standards. Uncertainty Direction: Credit conditions may deteriorate due to adverse geopolitical developments, commodity price shocks, sovereign stress or rating actions. Going Concern Link: A severe increase in defaults or impairment losses could adversely affect profitability and capital adequacy and is therefore central to the Bank's viability and going concern assessments.	All credit-related processes and limits are governed by the Bank's credit policy. The Credit RAS and Key Risk Indicators are reported to Executive management and the Board Risk Committee ("BRC"). Relationship managers ensure credit application, review and monitoring processes are aligned with policy. The Credit Risk function independently monitors exposures and limits, provides counterparty assessment and internal ratings, supports ECL measurement, and monitors collateral quality. Multiple levels of approval exist at Bank and Group levels, with Board approvals required for larger credit requests. Concentration limits are applied across counterparties, sectors and countries to support diversification.
Prudential Risk	Risk that the Bank does not maintain sufficient capital and/or liquidity resources to absorb losses, meet regulatory requirements and sustain operations during periods of stress. This includes risks arising from unexpected losses, RWA inflation, constrained funding markets, deposit outflows, or reduced market liquidity that impairs the Bank's ability to meet obligations as they fall due. Risk Trend: Prudential risk remained stable, supported by strong capital buffers and a diversified funding profile, although ongoing regulatory change requires continued focus. Uncertainty Direction: Funding markets could tighten unexpectedly, deposit pricing pressures may increase, or regulatory capital requirements may evolve. Going Concern Link: Capital and liquidity resilience underpin the Bank's ability to meet obligations as they fall due; prudential risk is therefore central to the Bank's going concern conclusion and viability assessment.	Prudential risk is managed through Board-approved risk appetite metrics covering capital and liquidity, supported by oversight via ALCO and the BRC. Capital and liquidity adequacy are assessed through ICAAP and ILAAP processes, including severe-but-plausible stress testing, early warning indicators and defined management actions. The Bank maintains a high-quality liquidity buffer and diversified funding profile, supported by contingency funding planning and periodic testing of recovery actions.

Strategic Report (continued)

Principal Risks	Definition	How Risks are Mitigated and Managed
Financial Crime Risk	Risk that the Bank is used to facilitate money laundering, terrorist financing, sanctions breaches, fraud, bribery and corruption or other illicit activity, leading to regulatory enforcement, financial loss and reputational damage. Risk Trend: Financial crime risk remained elevated given the Bank's international footprint, client mix and evolving sanctions environment. Uncertainty Direction: Geopolitical change, sanctions updates and increasingly sophisticated typologies may increase inherent risk and operational burden. Going Concern Link: Material control failures could result in enforcement action, financial penalties and reputational harm, adversely affecting the Bank's franchise and viability.	The Bank applies a risk-based approach across customer due diligence, sanctions screening, transaction monitoring, suspicious activity reporting, staff training and assurance. The MLRO and Compliance provide oversight and reporting to senior management and the Board, supported by independent assurance from Internal Audit.
Conduct Risk	Risk that the Bank's behaviours or culture lead to poor customer outcomes, market misconduct, conflicts of interest or failures to meet expected standards of behaviour, resulting in harm to customers or market integrity, regulatory action or reputational damage. Risk Trend: Conduct risk remained stable, supported by governance and monitoring, although regulatory focus on customer outcomes continues to intensify. Uncertainty Direction: Changes in regulatory interpretation or market practice may increase scrutiny and elevate conduct exposure over time. Going Concern Link: Significant conduct failures could lead to redress costs, reputational damage and supervisory intervention, and are therefore relevant to the Bank's viability assessment.	Conduct risk is managed through governance, policies, training and monitoring, including escalation processes and oversight by Compliance and senior management. The Bank undertakes thematic reviews and assurance activities to support compliance with conduct obligations and expected standards of behaviour.

Strategic Report (continued)

Principal Risk	Definition	How Risks are Mitigated and Managed
Business and Strategic Risk	Risk that the Bank's strategy is not effectively defined or executed, or that changes in the external environment adversely affect the Bank's ability to achieve its objectives. This includes risks arising from macroeconomic, geopolitical and market developments, competitive dynamics, business mix, and execution of international expansion. Risk Trend: Strategic risk increased moderately, reflecting the commencement of the Bank's new multi-year financial plan and the scaling of international operations, including Paris. Uncertainty Direction: External uncertainties, including geopolitical developments, trade disruption or macroeconomic downturns, could impact execution of strategic objectives. Going Concern Link: The Bank's viability depends on delivering sustainable, risk-adjusted growth while maintaining prudential strength; strategic risk is assessed through scenario analysis and recovery planning.	Strategic risk is managed through Board-approved strategy and financial planning, supported by the Risk Appetite Statement, regular performance monitoring and horizon scanning. Strategic initiatives are assessed for capital, liquidity, risk and operational feasibility, with management actions taken where conditions diverge from plan.
Market Risk	Risk that changes in financial market prices, interest rates and exchange rates adversely impact the Bank's financial performance and position. Risk Trend: Market risk remained broadly stable in 2025, with exposures managed within approved limits, although volatility in FX and rates markets persisted. Uncertainty Direction: Market conditions may become more severe under stress, including sudden FX dislocations, widening credit spreads or reduced liquidity in certain instruments. Going Concern Link: Extreme market movements could impact earnings, capital resources and liquidity positioning, and are incorporated into stress testing and recovery planning supporting the Bank's viability assessment.	Market risk processes are governed by a Board-approved Market Risk policy. Risk Management monitors positions against limits daily, with reporting provided to ALCO and escalation of significant matters to the BRC. Interest rate and FX risks are managed within risk appetite through ongoing monitoring, stress testing and oversight of repricing and exposure profiles to ensure resilience under a range of market conditions.

These principal risks have been considered in the preparation of the financial statements, the going concern assessment, including through stress testing, scenario analysis and recovery planning.

Strategic Report (continued)

Environmental / Climate Related Risk

Introduction

Zenith Bank UK recognises that climate change and broader environmental factors may give rise to financial risks that could impact the Bank's balance sheet, business model and counterparties over the short, medium and long term. The Bank therefore considers the potential environmental and social impacts of its activities as part of its overall risk management framework and when making business decisions.

Climate-related financial risk is treated as a financial risk driver and is considered alongside other principal risks to which the Bank is exposed.

Based on the Bank's current assessment and reflecting the limited severity of observed physical and transition impacts within its existing portfolio, the immediate financial risk arising from climate and environmental factors is not considered material over the Bank's current business planning horizon. However, the Bank recognises the inherent uncertainty associated with climate-related financial risks, the longer-term nature of both physical and transition impacts, and the possibility that materiality may increase over longer time horizons or under adverse scenarios. Accordingly, this assessment is kept under regular review.

The Bank continues to monitor regulatory developments and evolving supervisory expectations in this area, including the actions required to align with the revised PRA Supervisory Statement SS5/25 on managing climate-related financial risks. The Bank's climate-related financial disclosures and underlying methodologies will continue to evolve over time as the Bank's analytical capabilities, data availability and industry practices mature, while remaining proportionate to the Bank's size, complexity and risk profile.

Governance and Strategy

Primary responsibility for the oversight of climate-related financial risk sits with the Board Risk Committee ("BRC"), which reports directly to the Board of Directors. The BRC oversees the Bank's approach to climate-related financial risk and the adoption of relevant regulatory and supervisory expectations. The BRC meets at least four times each year and receives periodic updates on the development of the Bank's climate risk framework.

The Bank's Chief Risk Officer ("CRO") has been designated as the Senior Manager responsible for the methodologies used to measure and monitor climate-related financial risk. Working with other members of senior management, the CRO oversees the design, review and implementation of risk methodologies for the identification, assessment and monitoring of this risk, within the Bank's established risk governance framework.

From a strategic perspective, climate-related financial risk considerations are incorporated into the Bank's annual strategic planning and multi-year financial forecasting processes, with management assessing potential short, medium and longer-term transition and physical risk implications. When evaluating growth initiatives, sectoral exposures and geographic concentrations, management considers the resilience of targeted sectors under evolving climate scenarios and regulatory trajectories.

Climate-related financial risk is being progressively embedded within the Bank's core risk management frameworks, including its credit risk assessment processes, sector and concentration monitoring, and risk appetite calibration. The Board reviews relevant exposures annually as part of the risk appetite setting and business planning cycle. Over time, and in line with supervisory expectations, the Bank intends to further incorporate climate-related financial risk considerations into stress testing, capital planning and internal capital adequacy assessment processes as methodological maturity and data availability improve.

The Board also recognises that transition dynamics may create selective financing opportunities, particularly in sectors supporting economic diversification and infrastructure development within the Bank's core markets. Such opportunities are assessed within the Bank's existing risk appetite and capital framework, ensuring that growth remains aligned with prudent balance sheet management and long-term resilience.

Portfolio Exposure and Geographic Considerations

The Board recognises the Bank's strong connections to Sub-Saharan Africa and Nigeria as a home market, and the reliance of many corporates and sovereigns in the region on fossil fuels and other carbon-intensive activities, which remain central to baseload power and export revenues. As a result, a proportion of the Bank's portfolio is exposed to sectors and jurisdictions that may face elevated longer-term transition and physical risks.

At this stage of the Bank's development, these risks are managed through enhanced due diligence, client-level assessments and ongoing portfolio monitoring rather than through sector-wide exclusions. The Board's risk appetite in this area is reviewed annually as part of the

Strategic Report (continued)

Bank's strategic planning and risk appetite setting process, having regard to evolving regulatory expectations, portfolio composition and emerging risk indicators.

Based on its current methodological assessment, the Bank does not expect climate-related financial risk to give rise to significant losses in the near term. This position remains subject to ongoing review.

Methodology

The Bank's approach includes an assessment of the extent to which clients and counterparties have appropriate arrangements to manage, and where relevant adapt to, the impacts of climate change on their businesses and operations.

Qualitative risk assessments are performed for new credit proposals and as part of the periodic review of existing relationships. These assessments consider client-specific physical and transition risks and are supported, where appropriate, by reference to industry carbon intensity indicators and geographic climate risk ratings to inform a structured and proportionate analysis.

In 2025, no assets were segregated or treated differently solely as a result of climate considerations. All lending continue to be assessed on a consistent basis within the Bank's existing credit risk framework. Through this process, The Bank's Board and Management continues to enhance its understanding of the climate-related financial risk inherent within its loan portfolio.

Given the Bank's size and current stage of methodological development, quantitative portfolio-level climate risk metrics or targets are not yet disclosed. Management is developing enhanced management information to monitor sectoral exposures, geographic concentrations and higher-risk counterparties, with a view to introducing proportionate metrics over the medium term.

The design and ongoing enhancement of the Bank's climate risk methodologies are subject to internal governance arrangements and periodic independent review.

Streamlined Energy and Carbon Reporting

The methodology used to calculate ZBUK's GHG emissions is the *'Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard (Revised Edition)'*, as defined by the World Resources Institute/World Business Council for Sustainable Development ("WRI/WBCSD"). The Bank adopted the operational control approach on reporting boundaries to define its reporting boundary.

The conversion factors used by the Bank to convert energy consumption data into greenhouse gas emissions are based on the Intergovernmental Panel on Climate Change 2013 ("IPCC 2013") evaluation method. These factors provide standardised coefficients for electricity, gas and fuel, ensuring accuracy and consistency in reporting by translating activity into CO₂.

Where the Bank is responsible for utility costs, these emissions are included. For 2025, the Bank has applied the latest emission factors available at the time of reporting.

Scope 1 covers GHG emissions from activities for which the Bank is responsible, including emissions from the direct combustion of fuels and from activities owned or controlled by the Bank that release emissions into the atmosphere. Examples include emissions from combustion in owned or controlled boilers, vehicles etc. The Bank has assessed its Scope 1 emissions during the year to be Nil (2024: Nil).

Scope 2 covers GHG emissions from electricity, heat, cooling, and steam purchased for the Bank's use. The Bank is required to report the average emissions of UK grid electricity (location-based), regardless of the tariff the Bank chose to purchase (market-based). The Bank assessed its Scope 2 emissions (location-based) during the year to be 43.49t CO₂ (2024: 37.03t CO₂).

These emissions are based on energy consumption of 204,857 kilowatt hour (kWh) (2024: 174,416 kWh). This is analysed as 184,142 kWh (2023: 163,916 kWh) for the premises and 20,715 kWh (2024: 10,500 kWh) for the outsourcing of servers. The estimated emissions from renewable sources and green tariffs (market-based) are Nil.

Scope 3 covers indirect emissions from business travel. Business travel for these purposes comprises global flights and ground transport within the UK, Nigeria, Dubai, and France. The Bank has assessed its Scope 3 emissions during the year to be 102.91t CO₂ (2024: 90.82t CO₂).

Strategic Report (continued)

The GHG emissions are calculated using the GHG Protocol Corporate Accounting and Reporting Standard's recommended methodology for CO2 GHG emissions. The calculation is based on the following steps:

- Energy consumption data for energy sources, e.g., electricity, fuel, heat from utility bills, meter readings or estimates is aggregated and used to calculate emissions intensity of each energy source using the relevant emission factors which are then multiplied by the energy consumption to determine the total emissions for each energy source.
- Supply chain emissions from suppliers, business travel, customers and employee commuting are aggregated and used to calculate the emissions intensity of each contributor using the relevant emission factors which are then multiplied by the volume of emissions to determine the total emissions for each supplier or customer.

The GHG emissions calculation and reporting are undertaken annually.

The assumptions of the methodology as adopted by the Bank are as follows:

- The Bank's information on business travel (distance, mode, frequency, duration) fairly reflects actual travel patterns, including variations.
- Emissions factors for air travel and ground transportation reasonably reflect specific airlines, routes, fuel types, and regional variations.
- The data collected relating to travels of Directors and staff of the Bank is accurate and be easily sourced. The Directors and staff comply with the Bank's travel policies and report their travel activities.
- The organisational and operational boundaries fairly reflect the complexities of a UK banking organisation with international operations and staff travel.

Based on the nature of the Bank's business, as well as following the recommendation of the SECR legislation, the Bank chose the following intensity metric: Full Time Employees ("FTE") average. The table below shows the trend in the Bank's energy efficiency:

	2025	2024	% Change
Energy consumption used to calculate emissions (kWh)	204,857	174,416	17.5%
Emissions from combustion in owned or controlled boilers, vehicles etc - Scope 1	–	–	0.0%
Emissions from purchased electricity (t CO2) - Scope 2, location-based	43.49	37.03	17.4%
Emissions from purchased electricity (t CO2) - Scope 2, market-based	–	–	0.0%
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (t CO2) - Scope 3	102.91	90.82	13.3%
Total gross t CO2 based on the above (location-based)	146.40	127.85	14.5%
Total gross t CO2 based on the above (market-based)	102.91	90.82	13.3%
Intensity ratio (t CO2 / FTE) - location-based	1.00	0.88	14.5%
Intensity ratio (t CO2 / FTE) - market-based	0.70	0.62	13.3%

Energy Efficiency Actions Summary

In light of the commitment to sustainability and environmental stewardship, the Bank continues to achieve direct saving in energy and associated carbon emissions, through operational and technological improvements, including:

- Implementation of energy-efficient technologies: Explore the adoption of energy-efficient technologies to reduce the Bank's energy consumption and associated carbon emissions, including installing energy-efficient lighting, heating, and cooling systems.
- Optimisation of transportation: Evaluate strategies to optimise transportation related emissions. Promote alternative commuting option such as remote work arrangements, public transportation or cycling.
- Employee engagement and awareness: Foster a culture of energy efficiency and sustainability among employees. Educate staff about the importance of reducing energy consumption and carbon emissions and encourage their active participation in energy saving initiatives.

All above are ongoing initiatives for the Bank and no significant change in activities or processes was recorded during the current year.

Strategic Report (continued)

Key Performance Indicators

The Bank's Management analyses a range of financial measures to ensure that the Bank's strategy is effective. The Chief Executive Officer ("CEO") has overall responsibility for the Bank's performance and is supported by the Executive Committee ("EXCO") members.

Approved financial plans are expressed in annual budgets with metrics to facilitate measurement of performance at different levels within the Bank. Qualitative measures are also adopted to gauge the effectiveness of the Bank's engagement with its stakeholders. Please refer to "Engaging with stakeholders" section for more details.

Some of the financial metrics are adopted as Key Performance Indicators ("KPIs") based on internal targets set by the Bank's Executives as well as those advised by Zenith Bank Group's Head Office. These are as follows:

- A. Return on Equity ("ROE"): measures the Bank's ability to generate returns for its shareholder. It is expressed as Profit After Tax as a percentage of the average shareholders' equity during the reporting period. Actual ROE achieved in 2025 was 11.9% (2024: 11.8%). The Bank target for FY2025 ROE was 13.2%.
- B. Operating Income: measures the Bank's ability to cover its direct expenses. Operating income earned in 2025 was US\$ 104.3 million (2024: US\$ 85.3 million). The target for FY2025 was US\$ 118.6 million.
- C. Cost-to-Income ("CIR"): expresses operating expenses as a percentage of operating income. This ratio reflects the Bank's efficiency in its use of human and other resources in creating financial value. Generally, a lower ratio indicates relatively higher efficiency. The Bank's CIR target For FY2025 is 36.9%. CIR achieved in 2025 was 40.8% (2024: 43.7%).
- D. Return on Assets ("ROA"): measures the Bank's profitability in relation to its total assets. It is expressed as Profit After Tax as a percentage of the average assets during the reporting period. Actual ROA achieved in 2025 was 1.7% (2024: 1.6%). The target for FY2025 was 2.0%.

Significant Events in 2025

The year 2025 was characterised by elevated macroeconomic uncertainty and periods of market volatility, driven by evolving monetary policy expectations, geopolitical developments and intermittent risk repricing across global financial markets. Within this environment, the Bank maintained a focus on balance sheet discipline, liquidity resilience and selective business activity, consistent with its risk appetite and strategic objectives.

Global interest rate conditions remained restrictive for much of the year, with expectations regarding the timing and pace of rate normalisation continuing to evolve. Central banks in advanced economies broadly maintained a measured policy stance, with interest rates stabilising at elevated levels and indications of gradual easing emerging towards the latter part of the year. Compared with 2024, market conditions were more stable overall, although volatility persisted across fixed income and foreign exchange markets. These conditions influenced client activity levels and demand for treasury, liquidity management and risk mitigation services.

Geopolitical developments, including ongoing conflicts and trade-related disruptions, continued to affect global trade flows and investor sentiment. The pace of economic recovery remained uneven across regions, with emerging and frontier markets experiencing varying degrees of macroeconomic adjustment. In response, the Bank continued to apply enhanced credit monitoring and portfolio oversight, particularly in respect of higher-risk geographies and sectors.

In Sub-Saharan Africa, including the Bank's core markets of Nigeria and Ghana, macroeconomic conditions remained challenging but showed signs of relative stabilisation compared with the prior year. In Nigeria, continued foreign exchange market reforms, monetary policy tightening and fiscal consolidation contributed to elevated interest rates, currency volatility and constrained liquidity conditions. These factors influenced transactional volumes and client behaviour, while also sustaining demand for trade finance, foreign exchange and risk intermediation services within the parameters of the Bank's credit risk framework.

During 2025, there were notable sovereign rating developments in respect of Nigeria, reflecting evolving macroeconomic conditions and ongoing policy reforms. In May 2025, Moody's Investors Service upgraded Nigeria's long-term foreign currency rating from Caa1 to B3. In November 2025, S&P Global Ratings revised Nigeria's outlook from Stable to Positive while affirming its B-/B long-term rating. During the year, Fitch Ratings maintained Nigeria's B rating with a Stable outlook.

Strategic Report (continued)

Given the Bank's strategic connections to Nigeria and the broader Sub-Saharan African region, the Directors considered these rating developments and underlying macroeconomic reforms in the context of the Bank's country risk framework and portfolio strategy. Management assessed the implications for country risk assessment, counterparty credit quality, provisioning assumptions and capital planning, and concluded that the developments were consistent with the Bank's existing risk assessments and forward-looking planning assumptions. Exposures continue to be monitored through the Bank's established country risk and portfolio governance processes.

During the year, the credit rating of the Ghanaian government was upgraded by Standard & Poor's from CCC to B-, reflecting improvements in macroeconomic conditions and progress under its economic reform programme. This development resulted in a reassessment of the Bank's sovereign exposures, and the removal of a US\$3.3 million post-model adjustment overlay previously included within the Expected Credit Loss ("ECL") allowance. The reassessment was undertaken in accordance with the Bank's impairment methodology and governance processes.

As in developed markets, restrictive monetary policy in the UK, alongside subdued growth and easing inflationary pressures, influenced funding costs and asset valuations, while demand for liquidity management and treasury solutions remained evident. In the United States, the Federal Reserve's continued restrictive stance and changes in market expectations regarding the timing of policy easing contributed to volatility across fixed income and emerging market assets. Towards the end of the year, greater clarity around the policy outlook contributed to improved market stability.

Taken together, these economic and market developments resulted in an operating environment characterised by intermittent volatility, selective client activity and heightened risk sensitivity. Throughout the year, the Bank continued to manage these conditions through disciplined balance sheet management, diversification of income streams and active risk oversight, in line with its Board-approved risk appetite.

In addition, the Bank completed the disposal of exposures relating to Ethiopia during the year. This portfolio action resulted in the release of ECL allowances totalling US\$1.35 million, reflecting the derecognition of the related exposures and was consistent with the Bank's ongoing approach to portfolio optimisation and concentration risk management.

Operationally, 2025 was a year of consolidation and targeted investment. The Bank continued to invest in its governance, control environment and technology infrastructure, supporting operational resilience and regulatory compliance. This included enhancements to financial crime processes and broader enterprise risk management frameworks, alongside improvements in reporting and oversight.

The Paris Branch progressed its integration and early-stage business development as part of the Bank's Francophone Africa strategy, while digital transformation initiatives focused on enhancing operational efficiency and client service capabilities. In parallel, the Bank progressed the upgrade of its core banking platform to a new system, enhancing operational resilience, data integrity and scalability, with further optimisation continuing into 2026.

These actions were undertaken within the context of the Bank's capital and liquidity planning and supported its overall financial performance during the year.

2026 Outlook

The outlook for 2026 reflects management's assessment of a gradually more supportive, though still uncertain, operating environment. Global economic growth is expected to remain moderate, with disinflationary trends in the UK and Eurozone supporting a measured easing of monetary policy from recent peaks. Notwithstanding this, market volatility is expected to persist, particularly in foreign exchange markets and emerging market assets, requiring continued prudence in balance sheet positioning and risk management.

Interest rate conditions are anticipated to become more predictable over the medium term, which may reduce funding cost volatility and support greater margin stability. Accordingly, the Bank's planning assumptions adopt a conservative approach to reinvestment yields, deposit pricing and funding conditions, consistent with its Internal Capital Adequacy Assessment Process ("ICAAP") and liquidity planning frameworks.

From a strategic perspective, 2026 represents the first year of the Bank's approved four-year financial plan, focused on disciplined, capital-aware growth. The Directors remain cautiously optimistic regarding the year ahead, with strategic priorities centred on sustainable balance sheet expansion, further diversification of income sources, continued investment in systems, controls and operational resilience, and maintaining strong capital and liquidity buffers comfortably above regulatory minima.

Strategic Report (continued)

While profitability is expected to improve over the planning horizon, the cost-to-income ratio may temporarily increase, reflecting planned headcount expansion and front-loaded investment in technology and infrastructure, including the core banking migration and broader digitisation initiatives, and enhancements to risk and regulatory capabilities. The Bank will continue to balance growth ambitions with a disciplined approach to cost efficiency and risk-adjusted returns, ensuring that investment remains aligned to strategic objectives and regulatory expectations.

London operations are expected to remain the primary source of profitability and balance sheet activity.

The Paris operations, following their first full year of activity in 2025, are expected to progress towards breakeven over the medium term as business volumes develop in line with the approved business plan and agreed business model. Dubai will continue to operate as a strategic origination hub supporting cross-border activity, while the planned Manchester operating centre is expected to commence operations in 2026, contributing to targeted domestic client origination within a controlled risk framework.

Regulatory developments, including preparations for CRD VI and Basel 3.1 implementation, remain integral to the Bank's forward planning. These reforms are not expected to materially affect the Bank's ability to operate within its current business model, but they will require sustained focus on capital efficiency, data quality, and risk-weighted asset optimisation. The Bank's financial plan assumes continued compliance with all regulatory requirements, with capital and liquidity ratios remaining comfortably above internal and external thresholds. Ongoing investment in regulatory reporting capability, governance and risk management frameworks will therefore remain a key area of focus.

Overall, the Bank's outlook for 2026 reflects a measured yet forward-looking assessment of both opportunities and risks. While external uncertainties persist, particularly in relation to geopolitical developments, emerging market dynamics and global trade flows, the Board considers the Bank well positioned to execute its strategic objectives and meet its obligations as they fall due.

This outlook should be read in conjunction with the principal risks and uncertainties set out in this Strategic Report, which may materially affect the Bank's future performance and financial position. The Directors will continue to monitor macroeconomic and regulatory developments closely and will take mitigating actions where necessary to preserve financial resilience and strategic flexibility.

In forming this outlook, the Directors have had regard to the interests of key stakeholders, including customers, employees, regulators and the wider Zenith Group, consistent with their duties under Section 172 of the Companies Act 2006.

The Bank remains well-positioned to execute its strategy while maintaining a prudent approach to capital, liquidity and risk governance over the medium term.

Section 172 Statement

Engaging with stakeholders

To discharge their fiduciary duties and governance responsibilities, the Directors of the Bank regularly consider the views and interests of the Bank's stakeholders. The Directors recognise the importance of these perspectives in promoting a well-governed organisation that conducts its operations responsibly, remains attentive to those affected by its activities, and uses insights gained through engagement to support the delivery of the Bank's strategy and long-term success.

How Stakeholders are identified

The Bank's stakeholders are those groups who are materially affected by the Bank's activities, decisions and performance, and whose interests the Directors have regard to when promoting the long-term success of the Bank. These stakeholders may benefit from the Bank being properly governed and financially resilient and may be adversely impacted if the Bank were to fail to meet its strategic objectives due to governance, operational, legal or regulatory reasons.

Key stakeholder groups include the Bank's shareholder and other providers of capital and funding, employees involved in the Bank's value creation processes, clients and depositors who benefit from the Bank's products and services, regulatory and public authorities, and key suppliers and service providers that support the Bank's operational delivery and resilience.

Strategic Report (continued)

Stakeholder Engagement and Outcomes

Description of Relationship/ Interaction/ Obligation	Generic Name	Potential Benefits to parties	Potential Losses to parties	Outcomes of engagement with stakeholders
Shareholder	Investors	- Increased shareholders' value - Brand recognition - Dividend payment	- Partial or total loss of capital investment - Brand / Reputational issue	Discussions relating to operations, financial performance and strategic direction were held through Board and Committee meetings. The shareholder contributed to the articulation of business and digital strategy, including international expansion and technology priorities.
Parties that purchase the created value in return for financial considerations	Clients	- Strong business relationship - Banking convenience - Satisfaction with products or services offered by the Bank. - Continuous flow of client's business - Access to credit facilities for business continuity and expansion	- Client dissatisfaction with products or services offered by the Bank. - Disruptions to client's business - Violation of client's policies (e.g., Environmental, sustainability) - Liquidity challenges - Financial or other losses due to wrong advice by employees or Directors of the Bank	Engagement supported enhancements to client experience and informed product and service development, including the Bank's continued digital transformation agenda.
Providers of funding	Depositors	- Interest on deposits - Repayment of deposits	Partial or total loss of deposits	Feedback channels and service engagement contributed to the Bank's ongoing focus on depositor experience and funding diversification in support of liquidity resilience
Parties involved in the Bank's value creation chain	Directors and Employees	- Financial security - Job security - Job enrichment and satisfaction	- Unemployment - Loss of income due to job losses.	Staff engagement supported alignment to strategic priorities, cultural development, and continued investment in skills, capability and organisational resilience. In fulfilling their duties, the Directors recognise that sustainable performance depends on an engaged and well-supported workforce. The Board oversees the outcomes of external culture assessments, including the Bank's continued engagement with Investors in People, and considers these insights in shaping strategic priorities, leadership development and long-term organisational resilience.

Strategic Report (continued)

Description of Relationship/ Interaction/Obligation	Generic Name	Potential Benefits to parties	Potential Losses to parties	Outcomes of engagement with stakeholders
Regulatory Authorities	Regulatory Authorities	- Financial system stability - Healthy market competition - Fair market practices - Fair treatment of customers.	- Financial system instability (deteriorating asset quality, poor capitalisation, fragility of financial systems) - Monopoly and monopolistic competition - Market malpractices - Unfair treatment of customers.	The Bank continued to engage regularly with the PRA and FCA on strategy, governance, international expansion and compliance matters, including hosting a PRA Annual Strategy Meeting during the year. As part of the PRA's efforts to enhance oversight and monitoring across banks in the West Africa region, it has introduced annual engagement meetings with Independent Non-Executive Directors (INEDs).
Tax Authority	HMRC	- Tax revenues - Compliance with fiscal policies - Prevention and early detection of tax evasion	- Loss of Tax revenues - Non-compliance with fiscal policies - Failure to prevent or detect tax evasion	During the year, the Bank continued to maintain communication with HMRC, addressing enquiries and seeking guidance on tax matters.

Approach to Stakeholder Engagement

In accordance with the Companies Act 2006 ("CA 2006"), this statement explains how the Directors have fulfilled their duty under Section 172(1) to promote the long-term success of the Bank for the benefit of its shareholder as a whole. In doing so, the Directors have had regard to:

- the likely consequences of decisions in the long term;
- the interests of employees;
- the need to foster relationships with customers, suppliers and others;
- the impact of operations on the community and the environment;
- the desirability of maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members.

Overview

The Bank's Directors adopt a range of approaches to stakeholder engagement, recognising the importance of diverse perspectives to the Bank's long term success. Engagement may be direct or indirect, depending on the nature of the matter under consideration. Indirect engagement primarily involves receiving regular updates from Executive Management on key aspects of the Bank's business, strategy, and operations for further deliberation by the Board.

Throughout the year, the Board and individual Directors engage both directly and indirectly with a broad range of stakeholders, including customers, employees, investors, regulators, and other key parties. This engagement occurs through direct dialogue and through structured reporting from Executive Management, which provides updates on business performance, strategic priorities, regulatory developments, and stakeholder feedback. These updates are delivered through in-person meetings, teleconferences, and written communications.

Strategic Report (continued)

The Board seeks to understand how global economic and regulatory developments impact the Bank and its stakeholders. Executive Management is tasked with providing timely updates on the Bank's response to these developments and its engagement with staff, clients, and regulatory authorities. The Board monitors these actions and strategies through regular feedback channels, including meetings, calls, and email communications, and is apprised of regulatory matters both routinely and as specific issues arise.

Where necessary, the Board deliberates on these matters and provides direction to Executive Management, which may involve maintaining existing practices or implementing changes. Feedback is communicated through the Chief Executive Officer as appropriate.

These activities ensure that the Board remains informed of material issues and is able to discharge its responsibilities under Section 172(1) of CA 2006.

Applicability of Section 414CZA of CA 2006

A significant portion of the information below related primarily to engagement with stakeholders

The statutory requirement under Section 414CZA of CA 2006 related specifically to disclosures on how directors have had regard to the matters set out in Section 172(1) of CA 2006 when making decisions.

This requirement does not apply to ZBUK, as the Bank does not meet the definition of a quoted company nor does it qualify as a large unquoted company for the purposes of CA 2006. Under the relevant regulations, a company is considered large if it satisfies at least two of the following criteria:

- Turnover is greater than £500 million
- Balance Sheet total is greater than £500 million
- Average number of employees is more than 500

ZBUK meets only one of these thresholds (Balance Sheet total) and therefore does not fall within the scope of the disclosure obligation under Section 414CZA.

Director's Principal Decisions and Stakeholder Considerations

When making principal decisions, the Board follows a structured process to ensure alignment with Section 172 of CA 2006 and the Bank's governance framework. This includes identifying material stakeholder considerations raised through engagement activities, assessing the long-term implications of decisions, and ensuring consistency with the Bank's risk appetite and regulatory obligations.

During the year, examples of principal decisions included:

- approving the Bank's digital transformation and core banking migration programme, with consideration of customer experience, operational resilience and employee capability;
- enhancing the Bank's risk management and control framework, reflecting evolving regulatory expectations and internal assurance findings;
- allocating capital and liquidity resources to support disciplined growth while maintaining strong regulatory buffers;
- progressing the scaling of the Paris Branch in line with its approved business plan and agreed business model; and
- continuing investment in financial crime compliance, operational resilience and governance arrangements to support safe and sustainable expansion.

The Board monitors the ongoing impact of principal decisions to ensure continued alignment with the Bank's long-term success and stakeholder expectations. Key considerations and outcomes are recorded in Board and Committee minutes.

Strategic Report (continued)

Investors

The Directors ensure that Executive Management acts prudently in the use of the Bank's capital resources. The Board Risk Committee oversees the Bank's risk appetite, material exposures, concentrations and capital planning, ensuring that business is conducted within approved limits and prudential expectations.

The Bank's shareholder is represented on the Board, and quarterly Board meetings provide a structured forum for governance, oversight and strategic alignment. In consideration of long-term capital strength and growth priorities, the Directors may recommend dividend distributions where appropriate.

Clients and Depositors

The Board also received updates from, and discussed the efforts made by, Executive Management to maintain regular communications with clients, including constant review of clients' financial performance and gaining an understanding of their changing business needs and strategies developed fulfil them with ZBUK's expertise and operational capabilities.

The Board Audit & Compliance Committee ("ACC") and the BRC received regular updates on the Bank's risks and their impact on the Bank's business and operations. Discussions are held regularly to consider how the Bank's clients and depositors are impacted by these developments.

Board Strategy Committee meetings are held to review the Bank's strategies for supporting its clients and developing its business in line with the Board-approved Financial Plan. Clients' expectations - collected through different channels - are analysed to draw useful insights on how to improve the Bank's service and enhance customers' banking experience in line with consumer duty obligations. The Board also receives feedback regarding client complaints, reviews the reasons and oversees timely resolution of the matters under consideration.

Surveys are administered on a periodic basis, and the outcomes are discussed and considered by the Executive Management team, with appropriate oversight by the Board. The Directors ensure that the Bank complies with the FCA's requirements regarding consumer duty to the extent that it applies to the Bank's business.

The Board and Executive Management remain committed to the continuous monitoring of client needs and preparedness and application of insights required to shape the Bank's business strategy.

Employees

Briefing sessions are organised with all employees of the Bank to discuss various staff-related matters including staff policies (and changes), working conditions, changes to staff and management, ZBUK's strategies. Question & Answers ("Q&A") sessions are held, and opportunities are created to receive feedback from employees.

- **Social Matters:** The Bank is committed to make a positive difference and provide support to causes which aim to address societal needs. The Bank has an active Social Committee which organises events for employees to facilitate social bonding and interaction.
- **Respect for Human Rights:** The Bank focusses on promoting and strengthening a culture of respect for human rights.
- **Anti-Bribery and Corruption:** The Bank prohibits any engagement in or facilitating any form of bribery and corruption (giving and receiving, directly or indirectly) by it or its employees. All employees are encouraged to attend training courses which are specifically designed to ensure that they are aware and able to identify and manage the legal, regulatory, and reputational risks associated with all forms of bribery and corruption.

Regulatory and Tax Authorities

The Board receives regular updates on regulatory engagement through the Audit & Compliance Committee. The Directors encourage proactive and transparent communication with regulators and public authorities, recognising the importance of maintaining strong supervisory relationships and meeting evolving regulatory standards.

Strategic Report (continued)

Directors Duties

The Directors of the Bank are required to act in accordance with the requirements of section 172 of the UK Companies Act 2006. Directors of companies must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of the shareholders as a whole and, in so doing, have regard to:

- The likely consequence of any decision in the long term.
- The interests of the company's employees.
- The need to foster the Bank's business relationships with suppliers, customers, and others.
- The impact of the Bank's operations on the community and environment.
- The desirability of the Bank maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Bank.

The Directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to the Executive Management of the Bank, with oversight by the Board.

Approved by the Board of Directors on 13 March 2026 and signed on its behalf by:



Udu Ovbiagele

Chief Executive Officer

13 March 2026

Company Registration No. 05713749

Independent Auditor's Report to the members of Zenith Bank (UK) Limited

For the purpose of this report, the terms “we” and “our” denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Zenith Bank (UK) Limited. For the purposes of the table on pages 31 to 34 that sets out the key audit matters and how our audit addressed the key audit matters, the terms “we” and “our” refer to MHA. The “Bank” is defined as Zenith Bank (UK) Limited. The relevant legislation governing the Bank is the United Kingdom Companies Act 2006 (“Companies Act 2006”).

Opinion

We have audited the financial statements of Zenith Bank (UK) Limited for the year ended 31 December 2025. The financial statements that we have audited comprise:

- the Statement of Profit or Loss and Other Comprehensive Income
- the Statement of Financial Position
- the Statement of Changes in Equity
- the Statement of Cash Flows, and
- Notes 44 to 120 to the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the Bank's financial statements is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Bank's affairs as at 31 December 2025 and of the Bank's profit for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit and Compliance Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Bank's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Bank's operations and specifically its business model.
- The evaluation of how those risks might impact on the Bank's available financial resources.
- Capital and liquidity considerations including examination of the Bank's cash flow and liquidity projections.
- The evaluation of the base case scenario and stress scenario and the respective sensitivities and rationale.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Bank's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the members of Zenith Bank (UK) Limited (continued)

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Bank and its environment, including the Bank's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.		
Materiality	2025	2024	
Bank	\$4,351k	\$3,700k	1% (2024: 0.97%) of the net assets
Key audit matters			
Recurring	Measurement of Expected Credit Loss ("ECL") allowance.		

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of the Expected Credit Loss ("ECL") allowance

Key audit matter description	At 31 December 2025 the Bank had the following portfolio of assets carried at amortised cost or at fair value through other comprehensive income:				
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Type of financial asset	FS Note	2025		2024	
		Gross exposure (\$m)	ECL (\$m)	Gross exposure (\$m)	ECL (\$m)
Securities measured at fair value through OCI	16 & 20a	1,450.13	0.7	1,373.03	1.03
Loans and advances to banks	17 & 20a	196.93	1.28	113.41	0.76
Loans and advances to customers	18 & 20a	651.92	4.76	446.91	3.31
Securities measured at amortised cost	19 & 20a	252.75	3.84	221.96	8.42
Loan commitments	35 & 20a	50.88	0.71	26.11	0.62

IFRS 9 requires these amounts to be presented in the financial statements net of an associated allowance for Expected Credit Loss ("ECL").

The determination of the ECL allowance requires the Bank to make a number of highly complex, judgemental and highly sensitive assumptions that involve significant management estimation and judgement.

Independent Auditor's Report to the members of Zenith Bank (UK) Limited (continued)

The following areas have greater level of management judgement and estimations involved and therefore assessed as significant risk areas in the estimation of ECL.

- Probability of Default (PD") models' estimation – The internally rated PD model is considered significant due to the sensitivity of the inputs and the key assumptions underpinning the default probability assessment. The internally rated PD is derived using internal credit assessments that correlate to the S&P credit ratings which requires management judgement. The internal default experience is limited and since the external credit ratings are not available there is subjectivity in the determination of internally rated PDs.
- Significant increase in credit risk ("SICR") and Staging – The criteria selected to identify a SICR is a key judgement in the Bank's ECL model as the criteria determine whether a 12 month or a lifetime allowance is applied and recognised as well as drive the allocation of assets to stages 1, 2 or 3 on a timely basis in accordance with IFRS 9.
- Macroeconomic scenarios ("MES") – MES is considered significant due to the level of subjectivity and estimation uncertainties involved in the macroeconomic variables and weightages assigned the scenarios.

How the scope of our audit responded to the key audit matter

Controls testing - We evaluated the design and implementation of key controls over the ECL process, including those over management's judgments and estimates noted. These controls, among others, covered:

- Review and approval of the ECL methodology and credit risk policy
- Review and approval of the ECL model

Overall assessment of the ECL methodology – We evaluated the Bank's ECL methodology and modelling of different components of ECL including PD and assessed the appropriateness of the components and the compliance with the requirements of IFRS 9.

We engaged our external credit modelling experts to assess the performance of the ECL model and the appropriateness of management's key judgements and assumptions in the context of the current economic environment and our wider industry experience. We performed the following procedures:

- Evaluated the criteria used by the Bank in determining SICR and tested the appropriateness to allocate the financial assets into stages 1, 2 or 3 in accordance with IFRS 9;
- Critically assessed the ECL methodology applied in the context of the model to ensure the approved methodology is appropriately implemented in the IFRS 9 model;
- Reviewed and challenged key assumptions used in the ECL model in relation to PD and macroeconomic scenarios and weightings used by the Bank;
- Assessed the appropriateness of the post model adjustments (PMAs) released by management and assessed the completeness of PMAs in light of model performance and the current macroeconomic conditions.
- Evaluated changes to the model from the prior year through review of the updates to the methodology and assessment of the implementation in the model itself.
- Reperformed the calculation of the ECL model

Independent Auditor's Report to the members of Zenith Bank (UK) Limited (continued)

Assessment of internally rated PD model – On a sample basis, performed credit file reviews to ensure key loan data is accurate and credit ratings are appropriate and in line with the Bank's methodology.

Staging – We evaluated the criteria used to allocate a financial asset to stages 1, 2 or 3 in accordance with IFRS 9. On a sample basis, we performed credit reviews over a sample of loans to evaluate whether the loans were appropriately staged.

We performed the following procedures on other areas of the valuation of the expected credit loss allowance by;

- Selecting a sample of customers and agreeing all key data elements identified for these customers to supporting evidence and systems;
- Identifying sources of external standing data and agreeing these to independent sources;
- Reconciling the ECL model output to the general ledger and financial statements;
- We tested the disclosures by identifying the data flows used to populate disclosures and agreeing the disclosures in the financial statements back to supporting evidence. We also assessed the adequacy of the disclosures for compliance with the accounting standards;
- Challenged management around the completeness and accuracy of PMAs and independently assessed if any PMAs were necessary; and
- Performed standback procedures to assess the overall reasonableness of the ECL allowance in light of current macroeconomic conditions.
- Evaluated the design and implementation of controls across the processes relevant to ECL. Our walkthrough covered the following areas:
 - Model governance including model validation and controls;
 - Recording of collaterals into lending system for mortgage loans;
 - Data accuracy and completeness;
 - Review of journal entries related to the ECL.
- Obtained an understanding of the different types of portfolios and nature of exposures along with the business models for significant exposures;
- Assessed the valuation of the property collaterals as part of the sample of credit reviews for mortgage loans;
- Assessed Bank's elevated and low risk models (EAD and LGD models) used for ECL estimation and assessed the appropriateness and compliance with IFRS9;
- Identified the key data elements and assumptions within the ECL model and assessed the appropriateness of the assumptions and tested the completeness and accuracy of the key data elements relevant to the ECL model; and

Key observations communicated to the Audit and Compliance Committee	We found the approach taken in respect of ECL to be consistent with the requirements of IFRS 9 and we have concluded that the assumptions and judgements made by the management in the application of ECL were reasonable and supportable.
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Independent Auditor's Report to the members of Zenith Bank (UK) Limited (continued)

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Bank was set at \$4,351,000 (2024: \$3,700,000) which was determined on the basis of 1% (2024: 0.97%) of the Bank's net assets. We have considered the primary users of the financial statements to be shareholders, customers of the Bank, the ultimate parent Bank, and the UK regulators (FCA and PRA).

We have considered that Net Assets is the most appropriate benchmark on which to base our assessment of materiality as it is the most relevant financial indicator used by the stakeholders to assess the performance of the Bank and its compliance with appropriate regulatory requirements.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Bank was set at \$3,046,000 (2024: \$2,220,000) which represents 70% (2024: 60%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding \$218,000 to the Audit and Compliance Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

The control environment

We evaluated the design and implementation of those internal controls of the Bank which are relevant to our audit, such as those relating to the financial reporting cycle. We also tested operating effectiveness and placed reliance on certain controls.

We deployed our internal IT audit specialists to obtain an understanding of the general IT environment and found the IT controls to be operating effectively.

Climate-related risks

In planning our audit and gaining an understanding of the Bank, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation and reports relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks.

Through our audit work performed, we did not identify any material risk relating to the impact on climate change on the financial statements of the Bank for the year-ended 31 December 2025.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the members of Zenith Bank (UK) Limited (continued)

Strategic report and directors report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Bank and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received by branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Independent Auditor's Report to the members of Zenith Bank (UK) Limited (continued)

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Bank's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Bank focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, the Financial Services and Markets Act 2000; UK tax legislation or those that had a fundamental effect on the operations of the Bank including the regulatory and supervisory requirements of the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).
- We enquired with the directors and management concerning the Bank's policies and procedures relating to:
 - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the Bank's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates particularly in determining expected credit loss.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Bank's board, audit and compliance committee meetings, Asset and Liability committee meetings and Board Risk committee meetings, inspection of the complaints register, inspection of legal and regulatory correspondence from the PRA and the FCA;
- audit procedures performed by the engagement team in connection with the risks identified included:
 - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements;
 - assessing journal entries recorded during the year and at period end to identify and evaluate those with higher risk characteristics, including unusual posting patterns or account combinations;
 - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
 - Making enquiries of management concerning the existence and status of actual and potential litigation and claims.
 - challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to the determination of the expected credit losses as reported in the key audit matter section of our report; and
 - obtaining confirmations from third parties to confirm existence of a sample of balances.
- the Bank operates in a highly regulated banking industry. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent Auditor's Report to the members of Zenith Bank (UK) Limited (continued)

Other requirements

We were appointed by the Board of directors on 5 July 2022 for the audit of statutory financial statements of the Bank for the year ended 31 December 2022. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 4 years initially under the legal entity Macintyre Hudson LLP and subsequently under MHA Audit Services LLP.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Bank, and we remain independent of the Bank in conducting our audit.

Use of our report

This report is made solely to the Bank's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Bank's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mikhail Osotov (Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor
London, United Kingdom

16 March 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December

	Note	2025 US\$	2024 (Restated) US\$
Interest income calculated using the effective interest rate method	4a	96,934,610	81,126,903
Other interest income	4b	55,920,402	69,350,781
Interest expense	5	(67,960,654)	(70,136,461)
Net interest income		84,894,358	80,341,223
Fee and commission income	6	12,484,862	9,673,145
Trading income	7	4,132,785	3,955,862
Net gains/(losses) realised on disposal of securities measured at fair value through other comprehensive income		1,652,553	(210,586)
Net gains realised on disposal of securities measured at amortised cost	8	537,511	–
Net loss on derecognition of financial instruments	20b	–	(7,486,009)
Fair value movement on financial derivatives (net)	9	3,461,383	(3,457,754)
Exchange differences	10	(2,836,893)	2,466,208
Operating income		104,326,559	85,282,089
Net impairment credit / (charge) on financial assets	20a	2,869,499	8,225,131
Net operating income		107,196,058	93,507,220
Personnel expenses	11	(25,420,871)	(22,907,160)
Depreciation and amortisation	21,22,23	(2,201,577)	(1,684,109)
Other expenses	12	(14,918,196)	(12,661,084)
Operating expenses		(42,540,644)	(37,252,353)
Profit before tax		64,655,414	56,254,867
Income tax expense	13	(16,167,670)	(14,031,518)
Profit for the year		48,487,744	42,223,349
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign operations – foreign currency translation differences		3,091,802	–
Net change in fair value of debt instruments at fair value through other comprehensive income		4,890,069	5,614,429
Net change in fair value of debt instruments reclassified to profit or loss		(1,652,553)	210,586
Expected credit losses/(gains) recognised in the income statement	37	(329,902)	(460,195)
Deferred income tax on items that are or may be reclassified subsequently to profit or loss	25	(809,379)	(1,456,254)
Other comprehensive income for the year (net of tax)		5,190,037	3,908,566
Total comprehensive income for the year attributable to equity holders of the Bank		53,677,781	46,131,915

The 2025 and 2024 results are all from continuing operations.

The notes on the accompanying pages 44 to 120 form an integral part of these financial statements.

Statement of Financial Position

As at 31 December

	Note	31 December 2025 US\$	31 December 2024 US\$
Assets			
Cash and cash equivalents	14	428,080,578	480,233,340
Derivative financial assets	27a	2,283,351	1,517,779
Securities measured at fair value through profit or loss	15	858,941	4,295,068
Securities measured at fair value through other comprehensive income	16	1,450,126,248	1,373,024,636
Loans and advances to banks	17	195,655,785	112,643,670
Loans and advances to customers	18	647,161,416	443,603,255
Securities measured at amortised cost	19	248,905,012	213,536,320
Right-of-use assets	21	7,727,163	8,693,058
Property and equipment	22	712,536	168,467
Intangible assets	23	3,001,518	2,446,032
Current tax assets	24	1,306,934	519,490
Deferred tax assets	25	–	1,024,013
Other assets	26	8,966,626	7,348,853
Total assets		2,994,786,108	2,649,053,981
Liabilities			
Derivative financial liabilities	27b	398,654	3,094,465
Deposits from banks	28	1,467,870,447	1,285,833,708
Deposits from customers	29	1,053,913,293	871,249,258
Repurchase agreements and other similar secured borrowing	30	14,432,159	88,965,017
Current tax liabilities	31	–	2,070,141
Deferred tax liabilities	25	67,847	–
Impairment allowance on committed but undrawn facilities	20	703,830	625,420
Lease liability	32	8,497,932	8,819,920
Other liabilities	33	12,889,834	6,073,358
Provision	34	181,035	169,398
Total liabilities		2,558,955,031	2,266,900,685
Equity			
Share Capital	38a	136,701,620	136,701,620
Reserves (fair value through other comprehensive income)		1,500,226	(598,009)
Reserves (foreign currency translation)		3,091,802	–
Retained earnings		294,537,429	246,049,685
Total equity		435,831,077	382,153,296
Total liabilities and equity		2,994,786,108	2,649,053,981

The financial statements and accompanying notes on pages 44 to 120 were approved and authorised for issue by the Board of Directors on 13 March 2026 and signed on its behalf by:

Dame (Dr.) Adaora Umeoji
Chair

Udu Ovbiagele
Chief Executive Officer

Adeyemi Paul-Taiwo
Chief Financial Officer

Statement of Changes in Equity

For the year ended 31 December 2025

	Share Capital US\$	Reserves (fair value through other comprehensive income) US\$	Reserves (foreign currency translation) US\$	Retained Earnings US\$	Total Equity US\$
Balance as at 1 January 2025	136,701,620	(598,009)	–	246,049,685	382,153,296
Profit for the year	–	–	–	48,487,744	48,487,744
Other comprehensive income for the year (net of tax)	–	2,098,235	3,091,802	–	5,190,037
Dividends paid	–	–	–	–	–
Balance as at 31 December 2025	136,701,620	1,500,226	3,091,802	294,537,429	435,831,077
Balance as at 1 January 2024	136,701,620	(4,506,575)	–	203,826,336	336,021,381
Profit for the year	–	–	–	42,223,349	42,223,349
Other comprehensive income for the year (net of tax)	–	3,908,566	–	–	3,908,566
Dividends paid	–	–	–	–	–
Balance as at 31 December 2024	136,701,620	(598,009)	–	246,049,685	382,153,296

During the year, the following movements were recorded:

- *Foreign currency translation differences for foreign operations* arising from translation of foreign operations into reporting currency totalled US\$ 3,091,802 (2024: US\$ 5,614,429).
- *Net change in fair value of debt instruments at fair value through other comprehensive income* arising from movement in unrealised mark-to-market gains or losses totalled US\$ 4,230,265 (2024: US\$ 5,154,234).
- *Net change in fair value of debt instruments reclassified to profit or loss* arising from realisation of mark-to-market gains or losses on FVOCI debt instruments totalled US\$ 1,652,553 loss (2024: US\$ 210,586 gain).
- *Deferred income tax on items that are or may be reclassified subsequently to profit or loss* arising from all above totalled US\$ 809,379 (2024: US\$ 1,456,254). Tax rate of 25% was applied (2024: 25%).

The Directors do not recommend the payment of a dividend for the year ended 31 December 2025 (2024: Nil. The Bank's 2025 full year Dividend Per Share ("DPS") for the year ended 31 December 2025 is US\$ Nil (2024: US\$ Nil). See Note 40.

The notes on the accompanying pages 44 to 120 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December

	Note	2025 US\$	2024 US\$
Cash flows from operating activities			
Profit for the year		48,487,744	42,223,349
Adjustments for:			
Impairment provision charge/(reversal)	20	(2,869,499)	(8,225,131)
Depreciation of property and equipment	21,22	1,151,977	1,184,560
Amortisation of intangible assets	23	1,049,600	499,549
Interest expense on Lease liability	5	340,871	346,769
Current income tax expense	13	15,885,189	13,553,590
Deferred income tax expense	13	282,481	477,928
Interest income	4	(152,855,012)	(150,477,684)
Interest expense	5	67,619,783	69,789,692
Fair Value Movement on Securities measured at Fair Value Through Profit or Loss ("FVTPL")		(16,957)	69,201
Fair Value Movement on Derivative contracts		(3,461,383)	3,457,754
Unrealised Foreign Exchange (Gains) / Losses		2,836,893	(2,466,208)
Loss on derecognition of assets		–	7,486,009
		(21,548,313)	(22,080,622)
(Increase) / Decrease in loans and advances to banks		(78,759,931)	37,241,172
Increase in loans and advances to customers		(181,060,997)	(92,041,493)
Decrease / (Increase) in securities measured at fair value through profit or loss		2,036,105	(120,096)
(Increase) / Decrease in securities measured at fair value through other comprehensive income		(26,080,929)	314,536,239
Increase in other assets		(2,401,341)	(4,408,211)
Increase / (Decrease) in deposits from banks		184,299,969	(7,577,015)
Increase / (Decrease) in deposits from customers		111,357,906	(104,968,633)
(Decrease) / Increase in repurchase agreements and other similar secured borrowing		(74,667,742)	43,001,229
Increase in other liabilities		5,419,946	4,871,782
Cash (used in) / generated from operations		(81,405,327)	168,454,352
Interest income received		104,378,215	104,041,078
Interest expense paid		(60,066,733)	(53,649,527)
Income tax paid	31	(18,680,207)	(11,483,449)
Net cash (used in) / generated from operating activities		(55,774,052)	207,362,454
Cash flows from investing activities			
Acquisition of securities measured at amortised cost		(98,093,757)	(81,087,234)
Proceeds from redemption of securities measured at amortised cost		72,160,896	69,818,444
Interest income received		17,432,597	14,053,675
Acquisition of property and equipment	22	(730,151)	(62,128)
Acquisition of intangible assets	21	(1,605,086)	(2,173,626)
Net cash (used in) / generated from investing activities		(10,835,501)	549,131

Statement of Cash Flows (continued)

For the year ended 31 December

	Note	2025 US\$	2024 US\$
Cash flows from financing activities			
Repayment of Lease liability	32	(926,443)	(325,408)
Interest payment on Lease liability	32	(340,871)	(346,769)
Net cash used in financing activities		(1,267,314)	(672,177)
Net (Decrease)/Increase of Cash and cash equivalents		(67,876,867)	207,239,408
Cash and cash equivalents as at 01 January		480,233,340	276,069,567
Effect on exchange rate changes on Cash and cash equivalents		15,724,105	(3,075,635)
Cash and cash equivalents at 31 December	14	428,080,578	480,233,340

The notes on the accompanying pages 44 to 120 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2025

General information

Zenith Bank (UK) Limited ("Bank", "Company", "ZBUK", "Zenith UK") is a private company, limited by shares. The Bank was incorporated and registered in England & Wales in 2006 and is domiciled in the United Kingdom. The Bank's registered number is 05713749 and registered office (and principal place of business) is located in England, and is situated at 39, Cornhill, London EC3V 3ND.

The Bank is fully owned by the parent and ultimate parent undertaking, Zenith Bank Plc, a Bank incorporated in Nigeria. The Bank primarily provides trade finance, treasury services, corporate, infrastructure and project financing, and wealth management services to customers.

The Bank is authorised under the Financial Services and Markets Act 2000 (as amended in 2012). It is authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA.

1 Basis of preparation

1.1 Statement of compliance

The Bank's financial statements have been prepared and approved by the Directors in accordance with UK adopted International Accounting Standards ("IAS") and in accordance with those requirements of the Companies Act 2006.

The financial statements apply the historical cost convention as modified to include the fair valuation of financial instruments to the extent required or permitted by IAS.

The accounting policies set out below have been applied consistently to all periods presented, unless otherwise stated.

The Bank has elected to present its Statement of Financial Position in order of liquidity.

1.2 Restatement and Reclassification of prior year disclosures

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, certain comparative amounts have been reclassified and restated to correct errors in the presentation of financial information:

Certain comparative figures have been reclassified to improve usability of financial information and ensure consistency with the current year's presentation:

- Personnel expenses (Note 11)
- Other expenses (Note 12)
- Collateral analysis (Note 37)

These restatements do not affect the financial position, performance, or cash flows reported in prior periods.

1.3 Going concern

The Directors have assessed the Bank's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. In making this assessment, the

Directors have considered:

- the Bank's capital and liquidity position as at 31 December 2025;
- the Bank's funding profile, including the stability of deposits;
- forward-looking financial projections and stress testing outcomes;
- the regulatory capital framework and internal capital adequacy assessment; and potential macroeconomic and geopolitical uncertainties.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

1 Basis of preparation (continued)

The Bank maintains capital and liquidity resources in excess of regulatory minimum requirements and continues to operate within its approved risk appetite. Stress testing performed as part of the ICAAP and ILAAP processes indicates that the Bank remains resilient under a range of plausible downside scenarios.

Accordingly, the Directors are satisfied that the Bank has adequate resources to continue in operational existence for the foreseeable future. These financial statements have therefore been prepared on a going concern basis.

2 Material accounting policy information

2.1 Financial instruments

2.1.1 Initial measurement

The Bank recognises a financial asset or financial liability when it becomes party to the contractual provisions of the instrument. On initial recognition, financial assets and liabilities are measured at fair value. For instruments not classified at FVTPL, transaction costs that are directly attributable to the acquisition or issue are included in or deducted from the initial carrying amount.

Such costs are subsequently recognised using the effective interest method. For instruments classified at FVTPL, transaction costs are expensed immediately in profit or loss.

Purchases and sales of financial instruments are accounted for on settlement date.

2.1.2 Classification and measurement of financial assets

The Bank classifies financial assets on initial recognition based on:

- the Bank's business model for managing the assets; and
- the contractual cash flow characteristics of the assets.

There are three measurement classifications under IFRS 9: Amortised Cost, Fair Value Through Profit or Loss ("FVTPL") and Fair Value Through Other Comprehensive Income ("FVOCI"). Financial assets are classified into these measurement classifications based on the business model within which they are held and their contractual cash flow characteristics.

The business model reflects how groups of financial assets are managed to achieve a particular business objective. Financial assets can only be held at amortised cost if the instruments are held in order to collect the contractual cash flows ('hold to collect') and where those contractual cash flows are solely payments of principal and interest ('SPPI').

Financial asset debt instruments where the business model objectives are achieved by both collecting the contractual cash flows and selling the assets ('hold to collect and sell') are held at FVOCI, with unrealised gains and losses deferred within reserves until the asset is derecognised. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Equity instruments are measured at fair value under IFRS 9. By default, they are classified at FVTPL unless the Bank makes an irrevocable election at initial recognition to present fair value changes in OCI for instruments not held for trading. Fair value movements recognised in OCI are not recycled to profit or loss on disposal, while dividends representing a return on investment are recognised in profit or loss. Instruments that do not qualify for the FVOCI election are measured at FVTPL.

Fair Value Through Other Comprehensive Income

This category represents non-derivative financial assets classified on initial recognition because they are held to collect contractual cash flows and for sale. FVOCI assets are measured at fair value, and changes in fair value are recognised in other comprehensive income. Interest, impairment, and foreign exchange differences on assets classified at FVOCI are recognised in profit or loss. The cumulative gain or loss recognised in other comprehensive income is reclassified to profit or loss when the asset is derecognised.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

2 Material accounting policy information (continued)

Equity investments

Equity investments not held for trading are measured at fair value. The Bank has irrevocably elected to present subsequent changes in fair value of such investments in other comprehensive income.

Fair Value Through Profit or Loss

Financial assets are classified and measured at FVTPL if:

- they are debt instruments that do not qualify for amortised cost or FVOCI;
- they are equity investments for which the Bank has not elected FVOCI; or
- the Bank has designated the asset at FVTPL under the fair value option.

The Bank reviews its business models at each reporting date. Reclassification is permitted only when there is a demonstrable and externally observable change in how assets are managed; such changes are rare and are applied prospectively from the date of reclassification.

2.1.3 Classification of financial liabilities

Financial liabilities are classified as either:

- financial liabilities at amortised cost; or
- financial liabilities at FVTPL.

Financial liabilities are measured at amortised cost unless:

- they are held for trading and therefore required to be measured at FVTPL; or
- the Bank has elected to measure them at FVTPL using the fair value option.

2.1.4 Subsequent measurement

Subsequent to initial recognition, financial assets are measured at amortised cost, FVOCI or FVTPL in accordance with their classification. Financial liabilities are measured at amortised cost unless classified at FVTPL.

2.1.5 Derecognition

Financial assets

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or when the Bank has transferred its contractual right to receive the cash flows and either:

- substantially all the risks and rewards of ownership have been transferred; or
- substantially all the risks and rewards have neither been retained nor transferred but control is not retained.

Financial liabilities

Financial liabilities are derecognised when they are extinguished, i.e. when the obligation is discharged, cancelled or expires.

2.1.6 Modifications

Financial assets

If the terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If they are substantially different, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

2 Material accounting policy information (continued)

Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If the modification does not result in derecognition, the gross carrying amount is recalculated using the original effective interest rate and any adjustment is recognised as a modification gain or loss in profit or loss. For floating rate assets, the original effective interest rate is adjusted to reflect current market terms at the time of modification. Costs or fees incurred adjust the carrying amount and are amortised over the remaining term.

The difference between the carrying amount of the financial assets derecognised and consideration received is recognised in profit or loss.

For modifications undertaken for a borrower in financial difficulties, the objective is typically to maximise recovery. Derecognition is not usually met in such cases.

Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the modified cash flows are substantially different. A new financial liability is recognised at fair value, and the difference between the carrying amount of the original liability and consideration paid (including any non-financial assets transferred or liabilities assumed) is recognised in profit or loss.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification.

Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

2.2 Impairment of financial assets

2.2.1 Scope

The Bank recognises loss allowances for expected credit losses ("ECL") on:

- financial assets measured at amortised cost;
- debt instruments measured at FVOCI; and
- loan commitments and financial guarantee contracts issued.

ECL is measured on either a 12-month or a lifetime basis in accordance with the three-stage approach based on the extent of credit deterioration since origination as described below.

2.2.2 Three-stage approach

Stage 1 – 12-month ECL

Financial assets that have not experienced a significant increase in credit risk ("SICR") since initial recognition and are not credit impaired are allocated to Stage 1. A 12-month ECL, representing the expected credit losses that result from default events that are possible within 12 months after the reporting date, is recognised.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

2 Material accounting policy information (continued)

Stage 2 – Lifetime ECL (not credit impaired)

When a financial asset experiences a Significant Increase in Credit Risk ("SICR") subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of all possible default events occurring over the remaining life of the financial asset.

Provisions are higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3 – Credit-impaired financial assets

Financial assets that have objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime expected credit losses. Interest income is calculated on the carrying amount of the loan net of expected credit loss allowance.

Definition of default

The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations in full, without recourse by the Bank to actions such as realisation of collateral (if any is held); or
- the borrower is more than 90 days past due.

Significant increase in credit risk (SICR)

SICR is assessed using both quantitative and qualitative information. The Bank considers reasonable and supportable information, including historical experience, credit ratings, forward-looking information and a backstop of 30 days past due.

Internal credit ratings are mapped to external credit quality steps; a decrease in credit rating may indicate SICR. In certain cases, qualitative factors may trigger a SICR assessment even if quantitative indicators do not.

2.2.3 Measurement of ECL

ECL is measured as the present value of expected cash shortfalls, discounted at the original effective interest rate (or an approximation thereof). The measurement incorporates probability-weighted scenarios, historical data, current conditions and reasonable and supportable forward-looking information.

The key inputs are:

- **Probability of Default (PD)** – the likelihood that a borrower will default over a specified time horizon (12-month or lifetime). The Bank assigns internal credit ratings using scorecards and maps these to an external rating scale.
- **Loss Given Default (LGD)** – is the Bank's estimate of economic loss, expressed as a percentage of Exposure at Default ("EAD"), expected if a borrower defaults. LGD is calculated as the exposure-weighted average of the unsecured and secured portions after applying required collateral haircuts and foreign-currency adjustments.

The Bank applies LGD assumptions of 40% for corporate exposures and 45% for non-corporate exposures. Due to limited internal default and recovery data, these parameters are adopted as regulatory proxies consistent with the Basel Foundation IRB ("FIRB") approach. Under FIRB, senior unsecured exposures to sovereigns, banks, securities firms, and other financial institutions are assigned a 45% LGD, while senior unsecured exposures to other corporates are assigned a 40% LGD.

The Bank's methodology incorporates collateral recognition in line with Basel Framework CRE2. In addition to eligible financial collateral recognised under the Standardised Approach, FIRB allows certain eligible IRB collateral—such as receivables, qualifying commercial and residential real estate, and approved physical collateral—subject to minimum eligibility requirements. The operational criteria for eligible financial collateral under FIRB are aligned with those applied in the Standardised Approach.

For collateralised exposures, LGD is determined as the exposure-weighted average of the LGD for the unsecured and collateralised portions.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

2 Material accounting policy information (continued)

- **Exposure at Default (EAD)** – the estimated exposure at the time of default, including outstanding principal, accrued interest and any undrawn commitments expected to be drawn.

For undrawn commitments, credit conversion factors (CCFs) are applied based on historical drawdown experience, adjusted for current conditions and forward-looking information in line with the ECL framework or, where such data is insufficient, on the Basel framework.

Forward-looking information

ECL measurement and SICR assessment incorporate forecasts of future economic conditions. The Bank uses three economic scenarios (base, downturn and optimistic) that are probability-weighted to produce the final ECL. Key macroeconomic variables that correlate with portfolio credit risk are selected and applied to rating migration and PD term structures.

2.2.4 Credit-impaired financial assets and write-offs

A financial asset is credit impaired (Stage 3) when one or more events have occurred that adversely affect expected future cash flows. Indicators include significant financial difficulty, breach of contract, probability of bankruptcy, or observable evidence of reduced cash flows.

Interest is recognised on the net carrying amount (after loss allowance) using the original effective interest rate. If the asset subsequently cures and no longer meets the credit-impaired definition, interest recognition reverts to the gross carrying amount.

Write-off

Loans and advances are written off, in full or in part, when management concludes that there is no realistic prospect of recovery. The Bank may continue enforcement activity for amounts written off. Recoveries of amounts previously written off are recognised in profit or loss as a reversal of impairment.

2.2.5 Loan commitments and financial guarantee contracts – ECL

Loan commitments and financial guarantee contracts are subject to ECL under IFRS 9. ECL is measured on expected drawdowns, using CCFs for loan commitments, and reflects the expected loss over the commitment period. The three-stage model applies: Stage 1 (12-month ECL) and Stages 2–3 (lifetime ECL) when credit risk increases significantly or the instrument becomes credit impaired. The related loss allowance is presented as a provision.

2.3 Functional and presentation currency

The US Dollar is regarded as the functional currency and presentation currency of the Bank. This reflects that the majority of the Bank's assets are generated in US Dollar and the Bank primarily operates in economic environments where the US Dollar is the main currency for business transactions.

Income and expense in foreign currencies are recorded in US Dollar at the rate of exchange prevailing at the time of each transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the balance sheet date. Resulting exchange differences are included in profit or loss.

Non-monetary assets and liabilities in a foreign currency are translated into the functional currency using the rate of exchange at the date of the initial transaction.

Exchange differences arising from the translation of foreign operations into the presentation currency are recognised in other comprehensive income and reclassified to profit or loss upon disposal or loss of control of the related foreign operation.

2.4 Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised in 'Interest income' and 'Interest expense', respectively, using the effective interest rate ("EIR") method.

The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument (or, where appropriate, a shorter period) to the net carrying amount. When calculating the EIR, cash flows are estimated considering all contractual terms of the instrument (excluding future credit losses) and include fees, transaction costs, and all other premiums or discounts.

Interest on credit-impaired financial assets (Stage 3) is recognised on the net carrying amount (i.e. gross carrying amount less loss allowance) using the original EIR.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

2 Material accounting policy information (continued)

2.5 Trading and other income

Trading and other income comprises gains less losses relating to trading assets and liabilities and includes all fair value changes, interest, dividends and foreign exchange differences. The Bank applies the First In First Out (FIFO) method in calculating and recognising trading gains or losses.

2.6 Fee and commission income

Fee and commission income is recognised in accordance with IFRS 15. The Bank identifies the performance obligations and allocates the transaction price to distinct services. Revenue is recognised either at a point in time or over time depending on the nature of the service:

- Fees earned on the execution of a significant act are recognised when the act is completed (e.g. arrangement fees).
- Fees earned as services are provided are recognised over time (e.g. documentary credit confirmation fees, custody and banking service fees).
- Fees from guarantee facilities (e.g. surety, performance bonds) are recognised over the period the service is provided.

Fees that are an integral part of the effective interest rate of a financial instrument (e.g. loan origination fees) are recognised in interest income using the effective interest method.

2.7 Income tax

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent it relates to items recognised directly in equity.

Current tax is the tax expected to be payable on taxable profit for the year, calculated using tax rates enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated using the tax rates expected to apply in the periods when the assets will be realised or the liabilities settled.

2.8 Derivatives

The Bank uses derivative financial instruments for risk management purposes, including forward foreign exchange. Derivatives are initially recognised at fair value at inception and are subsequently measured at fair value.

Fair values are obtained from quoted market prices in active markets or, where an active market does not exist, using valuation techniques including recent market transactions.

Derivatives are classified as assets when fair value is positive and as liabilities when fair value is negative.

2.9 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Bank has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS or for gains and losses arising from a group of similar transactions, such as trading activity.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

2 Material accounting policy information (continued)

2.10 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements:	10 years or the length of the lease, if less
Computer equipment:	3 years
Furniture, fixtures and fittings:	5 years

Leasehold premises improvements comprise the Bank's offices in London and Dubai. Cost includes expenditure directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost can be measured reliably.

All other repairs and maintenance are charged to profit or loss in the period in which they are incurred. Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Impairment

The Bank assesses its property and equipment and finite-lived intangible assets for impairment in accordance with IAS 36. Assets are carried at no more than their recoverable amount, which is the higher of fair value less costs of disposal and value in use (the present value of expected future cash flows).

At each reporting date, the Bank reviews assets for any indication of impairment. Impairment testing is performed at individual asset level. If such indication exists, the recoverable amount is estimated. An impairment loss is recognised immediately in profit or loss if the carrying amount exceeds the recoverable amount; subsequent depreciation is adjusted prospectively.

Impairment losses may be reversed if there has been a change in the estimates used to determine recoverable amount, but the revised carrying amount cannot exceed what it would have been had no impairment been recognised.

The Bank does not hold goodwill or intangible assets with indefinite useful lives.

2.11 Intangible assets

Acquired computer software licences and development costs are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are expensed as incurred.

Development costs related to software and other intangible assets are capitalised when all of the following are demonstrated:

- The project is technically feasible.
- The Bank intends to and has the ability to complete the project.
- The Bank can demonstrate how the asset will generate future economic benefits.
- The costs can be measured reliably.

Capitalised costs include directly attributable costs such as employee salaries, consultants' fees and materials, and a reasonable proportion of indirect costs that are directly attributable to preparing the asset for its intended use. Capitalisation ceases when the asset is ready for its intended use.

Capitalised computer software is amortised on a straight-line basis over 3 years.

Acquired software licences issued on a one-off basis are amortised over the life of the licence.

Intangible assets are reviewed for impairment when indicators exist.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

2 Material accounting policy information (continued)

2.12 Leases

The Bank is a lessee and applies IFRS 16 to all leases, with the exception of short-term leases (lease term of 12 months or less), which are expensed on a straight-line basis over the lease term.

For all other leases, the Bank recognises:

- a right-of-use (ROU) asset, initially measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement, initial direct costs, and estimated restoration costs, less any lease incentives received; and
- a lease liability, initially measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate.

Subsequently, the lease liability is increased for the accrual of interest and reduced as payments are made.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of amounts payable under a residual value guarantee, or a change in the assessment of whether a purchase, extension or termination option will be exercised.

A corresponding adjustment is made to the carrying amount of the ROU asset or is recognised in profit or loss if the ROU asset has been reduced to nil.

The ROU asset is depreciated on a straight-line basis over the lease term. All ROU assets held by the Bank relate to building leases for office premises. ROU assets are reviewed for impairment when indicators exist.

2.13 Cash and cash equivalents

Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of change in value.

Such investments have a maturity of three months or less from the date of acquisition, and include cash, notes and coins, placements with other banks, amounts held with correspondent banks and certificates of deposit.

Restricted cash consists of funds held in segregated accounts under contractual, legal or regulatory requirements and is therefore not available for general use. Restricted cash is measured at amortised cost.

2.14 Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

2.15 Contingent liabilities

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events, or present obligations where the outflow of resources is uncertain or cannot be measured reliably.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow is remote.

2.16 Employee benefits

The Bank provides a defined contribution pension plan for its staff. The assets of the scheme are held separately from those of the Bank. The Bank pays contributions to Retirement Benefit Scheme and has no further payment obligations once the contributions have been paid. Contributions are recognised as an employee benefit expense when they are due.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

2 Material accounting policy information (continued)

2.17 Share capital

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Bank's shareholders at the general meeting.

2.18 Deposits

Deposits are initially recorded at fair value and subsequently measured at amortised cost. The estimated fair value of deposits with no stated maturity (including non-interest-bearing deposits) is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits and other borrowings without a quoted market price is based on discounted cash flows using market interest rates for debts with similar remaining maturity.

2.19 Repurchase agreements and other similar secured borrowing

Securities transferred under agreements to repurchase (repurchase agreements) are treated as collateralised financing arrangements. The Bank transfers securities to a counterparty with an agreement to receive the same securities back at a future date.

As substantially all risks and rewards of ownership are retained, the securities continue to be recognised in full. The counterparty has the right to use the collateral in the event of default. These agreements are initially recognised at fair value and subsequently measured in accordance with the classification of the related financial liability.

2.20 Undrawn loan commitments and financial guarantees

Loan commitments are firm commitments to provide credit under pre-specified terms.

Financial guarantee contracts are contracts that require the Bank to make specified payments to reimburse the holder for a loss incurred because a specified debtor fails to make payment when due.

Initial measurement

Financial guarantees and loan commitments are initially measured at fair value, which is generally equal to the fees received.

Subsequent measurement

Subsequently, they are measured at the higher of:

- the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative income recognised in accordance with IFRS 15.

The Bank has not designated any loan commitments at FVTPL. Liabilities arising from financial guarantees and loan commitments are included within provisions.

2.21 Credit risk mitigation

The Bank actively mitigates credit risk through netting and set-off arrangements, cash and non-cash collateral, and master netting agreements. For derivative transactions, the Bank enters into standard master agreements that allow for netting of exposures in the event of default. Cash collateral is regularly exchanged under margin agreements.

Non-cash collateral (including residential property, guarantees, and other forms) is not recognised on the balance sheet unless control is transferred. Where non-cash assets are pledged as collateral, the transferred asset continues to be recognised, and no associated liability is recognised in respect of the collateral received.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

2 Material accounting policy information (continued)

2.22 New standards in the current year

Lack of Interchangeability – Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* (effective 1 January 2025)
The amendments provide guidance on determining the exchange rate when a currency lacks interchangeability and introduce related disclosure requirements. The amendments were endorsed by the UK Endorsement Board on 15 July 2024.

There is no impact on the Bank as it does not transact in currencies subject to such restrictions.

2.23 New standards and amendments issued but not yet effective

A number of new standards and amendments have been issued by the IASB and adopted for use in the UK, which are effective for future periods. The Bank has not early adopted these standards. The Directors have assessed the impact of the following standards and amendments that may be relevant to the Bank:

IFRS 18 *Presentation and Disclosure in Financial Statements* (effective 1 January 2027) IFRS 18 introduces new requirements for the structure of the income statement (including defined subtotals such as operating profit), mandatory disclosure of management-defined performance measures (MPMs), and enhanced principles for aggregation and disaggregation.

The standard will affect presentation and disclosure but is not expected to have a material impact on the recognition or measurement of the Bank's assets, liabilities, income or expenses.

The Bank is assessing the presentational impact and will reflect the changes in its 2027 financial statements.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective 1 January 2026)

Issued in May 2024, these amendments clarify the recognition and derecognition of financial liabilities (including an exception for electronic cash transfers), provide additional guidance for the SPPI assessment (including contingent features such as ESG-linked targets), and introduce new disclosure requirements for equity instruments designated at FVOCI and instruments with contractual terms that can change cash flows. The amendments were endorsed by the UK Endorsement Board on 13 February 2025.

The Bank has concluded that there will be no material impact on classification or measurement; its portfolio consists predominantly of instruments that meet the SPPI criterion and does not include products with ESG-linked or other contingent features.

The Bank will comply with the additional disclosure requirements from 1 January 2026.

In relation to the electronic cash transfer exception, the amendments permit derecognition of a financial liability when an irrevocable payment instruction is initiated through an electronic payment system, provided that:

- (a) the entity has no practical ability to withdraw, stop or cancel the payment;
- (b) the entity no longer has access to the cash; and
- (c) the settlement risk is insignificant.

Additionally, the exception requires that there is only a short time period between the moment when conditions (a) and (b) are met and the moment when the counterparty actually receives the cash. Completion follows a standard administrative process.

The Bank does not currently apply this exception.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

2 Material accounting policy information (continued)

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity (effective 1 January 2026)

Issued on 18 December 2024, these amendments address accounting for power purchase agreements where electricity delivery depends on uncontrollable natural factors. They clarify the own-use exemption, provide hedge accounting flexibility, and introduce disclosure requirements. The amendments were endorsed by the UK Endorsement Board in July 2025.

The Bank does not currently enter into such contracts and therefore does not anticipate any impact.

Annual Improvements to IFRS Accounting Standards (2022–2024 Cycle) (effective 1 January 2026)

Issued in July 2024, these improvements introduce minor clarifications to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The amendments are editorial or provide narrow-scope clarifications; they are not expected to have a material impact on the Bank.

The endorsement process for the Annual Improvements is ongoing; the amendments are subject to UK adoption.

IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (effective 1 January 2027, subject to UK adoption)

This standard permits eligible subsidiaries to apply reduced disclosure requirements. The Bank does not anticipate IFRS 19 to apply.

The Bank will continue to monitor the implementation of these standards and assess any future impacts.

3 Critical accounting judgements and key sources of estimation uncertainty

Use of judgements and estimates

Preparing IFRS financial statements requires management to apply judgement in selecting and applying accounting policies and to make estimates and assumptions that affect reported amounts of assets, liabilities, income and expenses. Judgements disclosed below are those that had the most significant effect on the amounts recognised.

Sources of estimation uncertainty disclosed below are those that involve assumptions about the future and other major sources of uncertainty at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Estimates and underlying assumptions are reviewed on an ongoing basis; revisions are recognised prospectively.

Critical judgements

The critical judgements are as follows:

- SICR, default and staging under IFRS 9 – quantitative/qualitative thresholds, backstop indicators, probation periods and write-off policy (Note 37).
- SPPI and classification of financial assets (Note 2).
- Lease term and discount rate judgements under IFRS 16 (Note 32).
- Going concern assessment (Note 1).

Key sources of estimation uncertainty

The key sources of estimation uncertainty are as follows:

- ECL on financial assets and off-balance-sheet exposures – model selection/calibration (PD, LGD, EAD, CCF), incorporation of forward-looking information across multiple macro scenarios and weights. The use of overlays/PMA's where model limitations or emerging risks exist also present some level of uncertainty. Note 37 sets out our approach and provides sensitivity analyses to reasonably possible changes in macroeconomic assumptions and scenario mix.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

4 Interest income

	2025 US\$	2024 US\$
4a Interest income calculated using the effective interest rate method		
Cash and cash equivalents	23,110,511	19,552,294
Securities measured at amortised cost	19,593,077	15,752,689
Loans and advances to banks	7,049,192	9,835,896
Loans and advances to customers	47,181,830	35,986,024
	96,934,610	81,126,923
4b Other interest income	55,920,402	69,350,781
Total	152,855,012	150,477,684

Other interest income comprises interest income recognised on securities measured at fair value through other comprehensive income.

5 Interest expense

	2025 US\$	2024 US\$
Deposits from banks	29,643,748	27,559,788
Deposits from customers	37,976,035	42,229,904
	67,619,783	69,789,692
Interest expense on Right-of-use Lease liability	340,871	346,769
Total	67,960,654	70,136,461

Interest expense recognised during the year from financial liabilities measured at amortised cost is calculated using effective interest rate method.

6 Fee and commission income

	2025 US\$	2024 US\$
Loan fees	2,000,883	1,419,024
Trade Finance fees	9,133,640	7,144,214
Payment Commission	972,856	703,912
Custodial and Other fees	377,483	405,995
Total	12,484,862	9,673,145

'Custodial and Other fees' in the above table mainly comprise of custodial, banking and investment fees.

7 Trading income

	2025 US\$	2024 US\$
Derived from:		
Fixed Income Securities Trading Gains	3,341,334	3,169,582
Forex Trading Gain	791,451	786,280
Total	4,132,785	3,955,862

Fixed Income Securities Trading Gains above includes interest accrued on Fixed Income Securities of US\$ 975,116 (2024: US\$ 947,062).

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

8 Net gains realised on disposal of securities measured at amortised cost

Net gains/(losses) of US\$ 537,511 arose from the derecognition of three bonds issued by corporate, sovereign, and financial institution issuers that were measured at amortised cost and disposed of before contractual maturity, including additional gains from the early buy-back of three corporate bonds repurchased by their issuers ahead of their scheduled maturity dates.

These disposals were undertaken in circumstances permitted under IFRS 9, as the instruments were sold close to maturity and the proceeds represented substantially all of the remaining contractual cash flows. Accordingly, the sales are not considered inconsistent with the Bank's "hold to collect" business model and do not result in a change to the classification of the remaining financial assets measured at amortised cost.

9 Fair value movement on financial derivatives (net)

	2025 US\$	2024 US\$	PL Impact US\$
Forward foreign exchange contracts:			
Receivable	2,283,351	1,517,779	765,572
(Payable)	(398,654)	(3,094,465)	2,695,811
Total	1,884,697	(1,576,686)	3,461,383
	2024 US\$	2023 US\$	PL Impact US\$
Forward foreign exchange contracts:			
Receivable	1,517,779	2,410,504	(892,725)
(Payable)	(3,094,465)	(529,436)	(2,565,029)
Total	(1,576,686)	1,881,068	(3,457,754)

The fair value of the Bank's financial derivatives, comprising foreign exchange forwards, changed from a payable of US\$ 1,576,686 to a receivable of US\$ 1,884,697 (2024: from a receivable of US\$ 1,881,068 in 2023 to a payable of US\$ 1,576,686) during the year, resulting in a gain of US\$ 3,461,383 (2024: Loss of US\$ 3,457,754) which has been recognised in the profit or loss.

The change in fair value is due to changes in market interest rates or foreign exchange rates. The fair value of our derivatives is determined using quoted prices in active markets.

10 Exchange differences

	2025 US\$	2024 US\$
Exchange differences	(2,836,893)	2,466,208
Total	(2,836,893)	2,466,208

Foreign exchange losses of US\$ 2,836,893 (2024: US\$ 2,466,208 gains) recognised are primarily due to volatility of US Dollar against Pound Sterling. This resulted from the translation of foreign currency denominated monetary assets and liabilities at the year-end exchange rate.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

11 Personnel expenses

	2025 US\$	2024 (Restated) US\$
Employment costs are as follows:		
Wages and salaries - staff	19,430,689	17,260,999
Wages, salaries and other - Directors	670,500	752,880
Non-executive Directors' fees and emoluments	792,187	735,705
Pension contributions under defined contribution scheme	1,989,688	1,880,961
Compulsory social security obligations	2,537,807	2,276,615
Total	25,420,871	22,907,160
Number of employees at year end including Directors	152	153
Average number of employees during the year including Directors	155	146

During the year, only one Director was part of the Bank's defined contribution scheme (2024: one).

On average, the Bank had 30 (2024: 31) employees involved in customer facing roles and 125 (2024: 115) in administration.

Included within employment costs are:

	2025 US\$	2024 US\$
Directors' remuneration and fees		
Directors' fees, emoluments, salaries and other	1,462,687	1,488,585
Pension contributions	48,611	45,486
Social security obligations	92,782	237,358
Total	1,604,080	1,771,429

The highest paid Director who served during 2025 received total emoluments of US\$ 670,500 (2024: US\$ 752,880), their pension contributions were US\$ 48,611 (2024: US\$ 45,486) and social security obligations were US\$ 67,281 (2024: US\$ 120,139).

During 2025, the category 'Other staff costs' previously reported under Personnel expenses has been reclassified to Other expenses and split into 'Recruitment', 'Medical Insurance' and 'Others'. The amounts included in the primary statements have been restated. There is no impact on the Bank's total operating, investing, or financing cash flows for the years ended 2025 and 2024. The following table summarises the impact on the Bank's financial statements:

	As previously reported	Impact of reclassification Reclassification	As restated
Personnel expenses US\$			
Wages and salaries - staff	17,260,999	–	17,260,999
Wages, salaries and other - Directors	752,880	–	752,880
Non-executive Directors' fees and emoluments	735,705	–	735,705
Pension contributions under defined contribution scheme	1,880,961	–	1,880,961
Compulsory social security obligations	2,276,615	–	2,276,615
Other staff costs	839,784	(839,784)	–
Total	23,746,944	(839,784)	22,907,160
Profit	–	–	–
Total comprehensive income	–	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

12 Other expenses

	2025 US\$	2024 (Restated) US\$
Premises cost	2,444,250	2,321,859
Brokerage	1,048,948	734,393
Hardware procurement, maintenance, and server hosting	2,568,426	2,416,606
Information service cost	1,094,597	985,026
Total fees paid to the auditors	958,949	1,120,964
Professional fees	2,806,014	1,456,994
Travel and entertainment	694,296	1,550,536
Marketing and advertising	150,739	60,984
Subscriptions	1,636,045	665,751
Recruitment	208,840	163,916
Medical Insurance	666,251	621,331
Others	640,841	562,724
Total	14,918,196	12,661,084

Hardware procurement, maintenance and server hosting costs comprise purchases of IT equipment and peripherals that do not meet the Bank's criteria for capitalisation and are expensed to the income statement as incurred. The amount also includes leasing costs for office equipment, including printers.

During 2025, the category 'Others' reflected in the table above has been further disaggregated into 'Travel and entertainment', Marketing and advertising, 'Subscriptions' and 'Others'. The amounts included in the primary statements have not been restated and will remain the same as prior year. There is no impact on the Bank's total operating, investing, or financing cash flows for the years ended 2025 and 2024. The following table summarises the impact on the Bank's financial statements:

Other expenses US\$	Impact of reclassification		
	As previously reported	Reclassification	As restated
Premises cost	2,321,859	–	2,321,859
Brokerage	734,393	–	734,393
Hardware maintenance and server hosting	2,416,606	–	2,416,606
Information service cost	985,026	–	985,026
Total fees paid to the auditors	1,120,964	–	1,120,964
Professional fees	1,456,994	–	1,456,994
Travel and entertainment	–	1,550,536	1,550,536
Marketing and advertising	–	60,984	60,984
Subscriptions	–	665,751	665,751
Recruitment	–	163,916	163,916
Medical Insurance	–	621,331	621,331
Others	2,785,458	(2,222,734)	562,724
Total	11,821,300	839,784	12,661,084
Profit	–	–	–
Total comprehensive income	–	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

12 Other expenses (continued)

	2025 US\$	2024 US\$
Auditors' remuneration:		
Audit of UK statutory financial statements	830,079	743,845
Audit related assurance services:		
Group Reporting	290,863	261,677
Internal Control over Financial Reporting (for Zenith Group Reporting)	72,548	65,250
Other assurance services:		
Client Money and Custody Assets ("CASS") Audit	56,322	50,192
Total	1,249,812	1,120,964

13 Income tax expense

The tax charge in the Statement of comprehensive income for 2025 is US\$ 16,167,670 (2024: US\$ 14,031,518). These can be reconciled to the profit per the Statement of comprehensive income as follows:

	2025 US\$	2024 US\$
Profit before taxation	64,655,414	56,254,867
Corporate tax - current year	16,079,279	13,553,590
Corporate tax – prior year	(194,090)	–
Corporate tax - total	15,885,189	13,553,590
Deferred tax - current year	86,271	477,928
Deferred tax – prior year	196,210	–
Deferred tax - total	282,481	477,928
Total tax charge	16,167,670	14,031,518
Effective tax rate	25.01%	24.94%
Profit multiplied by the UK corporation effective tax rate of 25.00% (2024: 25.00%)	16,163,854	14,063,717
Effects of:		
– Current tax – prior year adjustment	(194,090)	–
– Deferred tax – prior year adjustment	196,210	–
– Expenses not deductible for tax	720	3,640
– Other temporary differences	976	–
– Exchange rate differences	–	(35,839)
Actual total tax charge	16,167,670	14,031,518

There is no tax implication for payment or non-payment of dividend in the United Kingdom.

Factors that may affect future tax charges:

The Bank recognised a net deferred tax liability of US\$ 67,847 as at 31 December 2025 (2024: deferred tax asset of US\$ 1,024,013), measured using the enacted UK corporation tax rate of 25%.

Base Erosion and Profit-Sharing Pillar Two Framework

The Base Erosion and Profit Shifting (BEPS) Pillar Two legislation which was enacted by the UK Government in 2024, introduced a global minimum effective tax rate of 15%. These rules, commonly referred to as the Global Anti-Base Erosion Rules ("GloBE" or "Pillar Two"), apply in the UK for accounting periods beginning on or after 31 December 2023 in respect of the Income Inclusion Rule, and for accounting periods beginning on or after 31 December 2024 in respect of the Undertaxed Profits Rule.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

13 Income tax expense (continued)

As at the reporting date, Nigeria has not enacted domestic Pillar Two legislation. Accordingly, the Bank's Ultimate Parent Entity, which is resident in Nigeria, is considered to be located in a non-implementing jurisdiction for Pillar Two purposes. However, Zenith Group includes constituent entities, including ZBUK, that are resident in jurisdictions which have enacted Pillar Two legislation.

The Directors have evaluated the potential impact of the Undertaxed Profits Rule ("UTPR") under the OECD Pillar Two rules. Although indicative calculations have been prepared, any potential exposure identified is not expected to be material to the Bank's financial statements. Accordingly, no provision has been recognised.

Zenith Group is currently collating the data and information required to comply with Pillar Two reporting requirements. The first GloBE Information Return is expected to be submitted by June 2026.

14 Cash and cash equivalents

	2025 US\$	2024 US\$
Petty cash	33,573	31,815
Cash with other banks	98,139,752	59,733,970
Money market placements	329,907,253	420,467,555
Total	428,080,578	480,233,340

The above table reflects money market placements, with maturities of less than 90 days from the origination date.

The Bank holds eleven collateral arrangements totalling US\$ 78,147,742 as at reporting date (2024: thirteen collateral arrangements of US\$ 145,026,246). These arrangements represent restricted cash deposits maintained with other banks in connection with letters of credits, foreign currency transactions, such as derivatives, as well as clearing activities conducted on behalf of the Bank.

Of the amount held as Cash and cash equivalents, US\$ 73,126,815 represents deposit received for Letters of Credit ("LCs") issued by various financial institutions (2024: US\$ 151,163,828).

15 Securities measured at fair value through profit or loss

	2025 US\$	2024 US\$
Securities (Bonds issued by Sovereigns, Financial Institutions)	858,941	4,295,068
Total	858,941	4,295,068

All securities in this portfolio are directly held by the Bank.

16 Securities measured at fair value through other comprehensive income

	2025 US\$	2024 US\$
HQLAs (US, UK, France and German Government Treasury Bills)	872,862,040	811,975,065
Other HQLAs (Securities issued by Multilateral Development Banks)	281,675,350	291,462,752
Securities issued by Corporates, Financial Institutions and Sovereigns	295,588,858	269,586,819
Total	1,450,126,248	1,373,024,636

Included in the table above are 27 (2024: 16) floating interest rate bonds with a nominal value of US\$ 262,314,757 in the current year (2024: US\$ 245,681,000).

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

17 Loans and advances to banks

	2025 US\$	2024 US\$
Loans and advances to banks	146,106,928	76,435,140
Trade bills discounted and refinanced	50,824,841	36,973,207
	196,931,769	113,408,347
Less: IFRS 9 Impairment loss allowance (Note 20a)	(1,275,984)	(764,677)
Total	195,655,785	112,643,670

18 Loans and advances to customers

	2025 US\$	2024 US\$
Loans and advances to individuals	2,982,624	4,845,708
Loans and advances to corporates and other borrowers	648,934,445	442,063,498
	651,917,069	446,909,206
Less: IFRS 9 Impairment loss allowance (Note 20a)	(4,755,653)	(3,305,951)
Total	647,161,416	443,603,255

Loans and advances to individuals mainly represent advances to investment mortgage clients and are secured by the respective properties.

19 Securities measured at amortised cost

	2025 US\$	2024 US\$
Fixed interest rate bonds	252,745,456	221,955,780
Less: IFRS 9 Impairment loss allowance (Note 20a)	(3,840,444)	(8,419,460)
Total	248,905,012	213,536,320

20 Impairment allowance

20a Movements in Impairment:

	2025 US\$	2024 US\$
Opening balance	(14,148,756)	(22,373,887)
(Charge)/reversal for the year – IFRS 9 Expected Credit Loss (P&L impact)	2,539,597	7,764,936
(Charge)/reversal for the year – IFRS 9 Expected Credit Loss (OCI impact)	329,902	460,195
Total (charge)/reversal for the year – IFRS 9 Expected Credit Loss	2,869,499	8,225,131
Closing balance	(11,279,257)	(14,148,756)

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

20 Impairment allowance (continued)

Breakdown of IFRS 9 Impairment loss allowance is presented as follows:

	2025 US\$	2024 US\$
Securities measured at fair value through other comprehensive income	(703,346)	(1,033,248)
Securities measured at amortised cost (Note 19)	(3,840,444)	(8,419,460)
Loans and advances to banks (Note 17)	(1,275,984)	(764,677)
Loans and advances to customers (Note 18)	(4,755,653)	(3,305,951)
Impairment on off- balance sheet assets - Undrawn commitments	(703,830)	(625,420)
Closing balance	(11,279,257)	(14,148,756)

For debt securities measured at FVOCI, ECL is recognised in accordance with *IFRS 9 Financial Instruments*. Impairment gains and losses are recorded in profit or loss, while the securities continue to be measured at fair value on the Statement of Financial Position. The related ECL allowance is recognised in OCI and accumulated within the FVOCI reserve, consistent with presentation requirements for FVOCI instruments under IFRS 9.

ECL on off-balance sheet exposures, including undrawn committed facilities and financial guarantees, is recognised as a provision in line with IFRS 9, which treats these as separate financial instruments for impairment purposes.

For undrawn commitments, ECL is calculated on the contractually committed but undrawn exposure using Credit Conversion Factors (CCFs) derived from historical drawdown behaviour and adjusted for forward-looking information. The measurement reflects the maximum contractual period during which the Bank is exposed to credit risk and cannot unconditionally cancel the facility. Recognition of 12-month or lifetime ECL follows the staging of the exposure under IFRS 9.

20b Loss on derecognition:

US\$	2025	2024
Carrying amount of derecognised instruments	–	18,534,389
Fair value of assets issued in replacement	–	11,048,380
Net loss on derecognition	–	(7,486,009)

During 2024, the Bank recognised impairment losses of US\$ 7,486,009 on its sovereign exposure to Ghana, arising from the Government's debt restructuring. Following this event, the affected instruments were assessed as having experienced a significant increase in credit risk and were consequently classified in Stage 2 with lifetime expected credit losses in accordance with IFRS 9.

Given the heightened uncertainty at the time regarding Ghana's macroeconomic outlook and the sustainability of the restructuring outcome, management applied a post-model adjustment (PMA) of US\$ 3,290,052 to capture residual downside risk not fully reflected in the underlying IFRS 9 model parameters. This adjustment was approved through the Bank's established credit governance framework and included within the expected credit loss allowance disclosed in Note 37.

During 2025, Ghana's economic conditions improved materially, supported by progress on the sovereign debt restructuring, the resumption of coupon payments, and an upgrade of the country's sovereign credit rating by S&P to B-.

In light of these developments, the Directors reassessed Ghana's credit environment and concluded that the circumstances giving rise to the PMA were no longer present. Accordingly, the PMA of US\$ 3,290,052 was released in full through the Bank's established governance process.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

21 Right-of-use assets

	2025 US\$	2024 US\$
Cost		
Balance at beginning of the year	13,372,204	4,959,350
Additions	–	8,243,456
Dilapidation provision	–	169,398
Balance at end of the year	13,372,204	13,372,204
Accumulated amortisation		
Balance at beginning of the year	4,679,146	3,741,897
Charge on right-of-use assets	965,895	937,249
Balance at end of the year	5,645,041	4,679,146
Net book value		
Balance at end of the year	7,727,163	8,693,058
Balance at beginning of the year	8,693,058	1,217,453

Right-of-use assets represent building leases on the Bank's offices. During 2024, the lease was renewed for a ten-year period until January 2034.

As part of ZBUK's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises. The provision is expected to be utilised between 2024 and 2034 as the leases terminate.

In prior year, an amount of US\$ 169,398 was capitalised with the cost of the Right-of-use assets with a corresponding liability recognised as provisions (See Note 34). The provision has been estimated based on actual expenditure incurred on dilapidations and estimated lease termination dates.

The maturity analysis of outstanding lease liabilities under IFRS 16 is presented under Note 37.

22 Property and equipment

	Leasehold improvements US\$	Computer equipment US\$	Furniture, fixtures, and fittings US\$	Total US\$
Cost				
Balance as at 1 January 2025	1,820,507	281,213	203,800	2,305,520
Additions	470,284	203,997	55,870	730,151
Balance as at 31 December 2025	2,290,791	485,210	259,670	3,035,671
Accumulated depreciation				
Balance as at 1 January 2025	1,738,173	195,253	203,627	2,137,053
Charge for the year	89,030	93,374	3,678	186,082
Balance as at 31 December 2025	1,827,203	288,627	207,305	2,323,135
Net book value				
Balance as at 31 December 2025	463,588	196,583	52,365	712,536

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

22 Property and equipment (continued)

	Leasehold improvements US\$	Computer equipment US\$	Furniture, fixtures, and fittings US\$	Total US\$
Cost				
Balance as at 1 January 2024	1,820,507	219,085	203,800	2,243,392
Additions	–	62,128	–	62,128
Balance as at 31 December 2024	1,820,507	281,213	203,800	2,305,520
Accumulated depreciation				
Balance as at 1 January 2024	1,536,882	155,076	197,784	1,889,742
Charge for the year	201,291	40,177	5,843	247,311
Balance as at 31 December 2024	1,738,173	195,253	203,627	2,137,053
Net book value				
Balance as at 31 December 2024	82,334	85,960	173	168,467

Property and equipment have economic useful lives of over one year from the reporting date.

As at 31 December 2025, the Bank has approved a budget allocation of US\$ 2,209,279 for Information Technology (IT) related capital costs (2024: US\$ 2,493,033). This includes software purchases, hardware acquisitions, infrastructure upgrades, consultancy services, and any other IT-related initiatives.

23 Intangible assets

	2025 US\$	2024 US\$
Cost		
Balance at beginning of the year	6,078,012	3,904,386
Additions	314,705	2,173,626
Items to be capitalised	1,290,381	–
Balance at end of the year	7,683,098	6,078,012
Accumulated amortisation		
Balance at beginning of the year	3,631,980	3,132,431
Charge for the year	1,049,600	499,549
Balance at end of the year	4,681,580	3,631,980
Net book value		
Balance at end of the year	3,001,518	2,446,032
Balance at beginning of the year	2,446,032	771,955

Intangible assets represent software licences purchased and internally developed software and have economic useful lives of over one year from the reporting date.

The amounts to be capitalised within intangible assets represent costs directly attributable to the Bank's ongoing implementation of its core banking system and associated digital platforms. These expenditures comprise external consultancy services, software development and configuration activities, licence fees and project management costs that are directly engaged in the development of the underlying technology assets.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

23 Intangible assets (continued)

Capitalisation is undertaken in accordance with the recognition requirements of IAS 38 *Intangible Assets*. The Directors are satisfied that the assets under development meet the criteria for capitalisation, including the technical feasibility of completing the platforms, the Bank's intention and ability to complete and use the assets, the availability of adequate technical and financial resources and the expectation that the platforms will generate probable future economic benefits through enhanced operational efficiency and the execution of the Bank's digital strategy.

The core banking and digital transformation programme is a multi-year strategic initiative aligned with Zenith Group's long-term digital roadmap. The project is expected to be completed and available for use during 2026, at which point amortisation of the capitalised development costs will commence on a straight-line basis over their estimated useful lives. Until completion, the capitalised development costs are not amortised but are assessed for indicators of impairment in accordance with IAS 36 *Impairment of Assets*.

The analysis of Intangible assets still outstanding in the books for current year is as follows:

2025 US\$ Useful life	Cost	Accumulated amortisation	NBV
2026	290,726	239,364	51,362
2027	2,401,439	893,298	1,508,141
2028	161,065	70,351	90,714
2029	139,107	78,187	60,920
Items to be capitalised	1,290,381	–	1,290,381
Total	4,282,718	1,281,200	3,001,518

2024 US\$ Useful life	Cost	Accumulated amortisation	NBV
2025	529,289	396,435	132,854
2026	290,726	148,829	141,897
2027	2,132,136	82,634	2,049,502
2028	70,000	43,525	26,475
2029	161,490	66,186	95,304
Total	3,183,641	737,609	2,446,032

24 Current tax assets

	2025 US\$	2024 US\$
Opening balance	(519,490)	(569,334)
Current year tax	16,079,279	–
Tax refund – prior period	582,057	–
Tax payments – current period	(17,386,213)	–
Translation difference	(62,567)	49,844
Closing balance	(1,306,934)	(519,490)

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

25 Deferred tax (liabilities) / assets

2025 Type	Brought forward US\$	Credit for the year - P&L US\$	Credit for the year - OCI US\$	Write-off US\$	Carried forward US\$
Accelerated capital allowances	(304,418)	(65,406)	–	–	(369,824)
Provisions	–	44,485	–	–	44,485
IFRS 9 transitional adjustments	784,679	(261,560)	–	–	523,119
FVOCI reserve	543,752	–	(809,379)	–	(265,627)
Other adjustments	–	–	–	–	–
Total	1,024,013	(282,481)	(809,379)	–	(67,847)

2024 Type	Brought forward US\$	Credit for the year - P&L US\$	Credit for the year - OCI US\$	Write-off US\$	Carried forward US\$
Accelerated capital allowances	(128,404)	(176,014)	–	–	(304,418)
Provisions	41,633	(41,633)	–	–	–
IFRS 9 transitional adjustments	1,046,238	(261,559)	–	–	784,679
FVOCI reserve	2,000,006	–	(1,456,254)	–	543,752
Other adjustments	(1,278)	–	–	1,278	–
Total	2,958,195	(479,206)	(1,456,254)	1,278	1,024,013

Deferred tax liabilities and assets are recognised for accelerated depreciation and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax liabilities and assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax liabilities and assets relate to temporary differences which are expected to reverse after one year from the reporting date.

26 Other assets

	2025 US\$	2024 US\$
Margins in respect of derivatives	590,153	–
Prepayments	3,989,152	3,359,246
Card collateral placement	1,495,143	1,145,000
Custodial fee receivables	1,462,805	1,079,922
VAT related receivables	794,973	762,704
Coupon receivables	97,983	606,229
Other receivables	536,417	395,752
Total	8,966,626	7,348,853

For 2025, the Bank has included 'Margins in respect of derivatives' in the table above. For 2024, an amount totalling US\$ 3,726,276 in this regard remains mapped under 'Cash and cash equivalents'. The amounts included in the primary statements have not been restated and remain the same as prior year.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

26 Other assets (continued)

The Bank posts and receives variation and initial margin on derivatives in line with Central Counterparty Clearing House ("CCP") rules for cleared trades and International Swaps and Derivatives Association ("ISDA") / Credit Support Annex ("CSA") terms for bilateral trades. Cash margin is presented separately and not offset against derivative balances unless IAS 32 netting criteria are met. Securities collateral posted remains recognised where the Bank retains substantially all risks and rewards; securities collateral received is not recognised unless control is obtained. Margin terms (eligibility, haircuts, thresholds, segregation, rehypothecation) vary by counterparty type and are disclosed within the offsetting, credit risk and liquidity risk notes.

Prepaid expenses amounting to US\$ 1,132,560 (2024: US\$ 1,073,441) pertain to unexpired license for use of core banking and regulatory compliance systems. These are due to expire in more than one year from the reporting date.

All other prepaid items will expire within one year from the reporting date.

'Card collateral placement' represents cash placed with another financial institution under a standby letter of credit issued by the Bank.

'Other receivables' mainly comprises accrued charges.

27 Derivative financial assets/ liabilities

	2025 US\$	2024 US\$
27a Derivative financial assets	2,283,351	1,517,779
27b Derivative financial liabilities	(398,654)	(3,094,465)

The Bank enters into derivative contracts for economic risk management purposes. These are mainly short-term foreign exchange contracts, which are held for day-to-day cash management rather than for trading purposes and are held at fair value. The Bank does not apply hedge accounting under IFRS 9, and all fair value movements are recognised directly in profit or loss.

Derivative financial assets / liabilities arise from the revaluation of these financial derivatives. All derivative contracts open at the year-end have intended settlement dates within twelve months.

The fair value of derivative financial instruments is determined using valuation techniques that incorporate observable market inputs, including quoted forward exchange rates, yield curves and discounted cash flow methodologies. Accordingly, derivative financial instruments are classified as Level 2 within the IFRS 13 fair value hierarchy. See Note 9 for PL impact.

The following table shows an analysis of counterparty credit exposures arising from derivative transactions:

		Over-The-Counter		
	Notional amount	Fair value	Collateral (received)/ posted	Net exposure
2025 US\$				
Derivative assets	148,311,508	2,283,351	(2,178,652)	104,699
Derivative liabilities	72,094,232	(398,654)	1,132	(397,522)
		Over-The-Counter		
	Notional amount	Fair value	Collateral (received)/ posted	Net exposure
2024 US\$				
Derivative assets	132,352,255	1,517,779	(256,648)	1,261,131
Derivative liabilities	95,391,226	(3,094,465)	2,284,930	(809,535)

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

28 Deposits from banks

	2025 US\$	2024 US\$
Term deposits	384,885,766	384,919,804
Demand deposits	1,082,984,681	900,913,904
Total	1,467,870,447	1,285,833,708

Term deposits include available-on-call cash collateral placed with the Bank by the Parent company of US\$ 68,649,360 (2024: US\$ 134,054,093) against which Trade Finance business is written. Demand deposits include interest-free funds from the Central Bank of Nigeria.

29 Deposits from customers

	2025 US\$	2024 US\$
Term deposits	832,474,284	722,414,346
Demand deposits	203,423,992	139,902,214
Saving deposits	18,015,017	8,932,698
Total	1,053,913,293	871,249,258

The fair value of deposits approximates their carrying value due to their short-term nature and repricing characteristics.

The Bank monitors depositor concentration and liquidity risk through ALCO oversight and maintains a diversified funding base.

30 Repurchase agreements and other similar secured borrowing

The Bank enters into transactions in the normal course of business by which it transfers recognised financial assets directly to third parties. Such financial assets are debt securities (Securities measured at amortised cost and Securities measured at fair value through other comprehensive income) held by counterparties under repurchase agreements and do not qualify for derecognition.

The following table analyses the carrying amount of such financial assets as at 31 December that did not qualify for derecognition and their associated financial liabilities:

	2025 US\$	2024 US\$
Repayable in not more than three months	4,539,015	75,092,319
Repayable in more than three months but less than one year	9,893,144	–
Repayable in more than one year but less than five years	–	13,872,698
Total	14,432,159	88,965,017

Nature of transaction	2025 Carrying amount of assets pledged as collateral assets US\$	2025 Carrying amount of associated liabilities US\$	2024 Carrying amount of assets pledged as collateral US\$	2024 Carrying amount of associated liabilities US\$
Repurchase agreements	14,617,361	14,432,159	115,852,181	88,965,017
Total	14,617,361	14,432,159	115,852,181	88,965,017

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

30 Repurchase agreements and other similar secured borrowing (continued)

The Bank enters into repurchase agreements and other collateralised transactions in which financial assets are pledged as collateral. These pledged assets remain fully recognised in the Statement of Financial Position, and a corresponding repurchase liability is recorded in accordance with IFRS 9, as the Bank retains substantially all risks and rewards. Standard terms typically give the counterparty the right to take ownership of the collateral if the Bank defaults.

In accordance with IFRS 7, the Bank discloses the carrying amount of financial assets pledged as collateral and the key terms and conditions of the pledge, including restrictions on the Bank's ability to sell or re-use the pledged assets.

Key terms and conditions relating to collateral include restrictions on the Bank's ability to sell or repledge pledged assets, rights of the counterparty to take ownership or liquidate collateral in the event of default, eligible collateral criteria, margining and haircut requirements, valuation and substitution provisions, segregation requirements, and the contractual recourse available to counterparties.

Where the Bank receives collateral (financial or non-financial) and is permitted to sell or repledge it, disclosures required by IFRS 7 are provided (Note 37), including:

- the fair value of collateral held,
- the fair value of collateral sold or repledged, and any obligation to return such collateral, and
- the terms and conditions governing the use of such collateral.

Collateral received that the Bank is not permitted to sell or repledge is not recognised on the Statement of Financial Position and remains off-balance sheet.

Unless specified otherwise in the agreement, the counterparty's recourse is not limited to the collateral transferred.

31 Current tax liabilities

	2025 US\$	2024 US\$
Opening balance	2,070,141	–
Tax credit – prior period	(194,090)	–
Tax refund – prior period	(582,057)	–
Current year tax	–	13,553,590
Tax payments – prior period	(1,293,994)	(11,483,449)
Closing balance	–	2,070,141

32 Lease liability

Movements in Lease liability:

	2025 US\$	2024 US\$
Opening balance	8,819,920	1,055,479
Additions during the year	–	8,243,456
Payments made during the year	(926,443)	(325,408)
Interest payment on Lease liability	(340,871)	(346,769)
Interest expense on Lease liability	340,871	346,769
FX Translation difference	604,455	(153,607)
Closing balance	8,497,932	8,819,920

The Bank has short-term leases for its Dubai and Paris branches, with terms of less than one year.

In accordance with IFRS 16, the Bank has applied the short-term lease exemption for leases with a term of twelve months or less. Short-term lease expense recognised in profit or loss during the year amounted to US\$ 752,391 (2024: US\$ 541,553).

This amount is included as part of 'Premises cost' under Note 12.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

33 Other Liabilities

	2025 US\$	2024 US\$
Margins in respect of derivatives	2,178,652	–
Accruals		
– Bonuses	2,910,850	2,384,120
– Legal fees	–	–
– Audit fees	384,032	752,879
– Bank charges	427,692	254,238
– Professional fees	–	–
– Personnel costs related deductions	1,423,618	733,503
– Others	911,868	372,431
Other payables	4,653,122	1,576,187
Total	12,889,834	6,073,358

For 2025, the Bank has included 'Margins in respect of derivatives' in the table above. For 2024, an amount totalling US\$ 256,648 in this regard remains mapped under 'Deposits from banks'. The amounts included in the primary statements have not been restated and remain the same as prior year.

The items listed under Accruals above are current items which will be paid during the next financial year.

'Other payables' reflects current items and mainly comprises payments received from ordering banks in favour of third-party beneficiaries, unearned income, current obligations regarding pension and tax deducted from personnel salaries. All items under 'Other payables' are current and will be paid during the next financial year.

During the year, pension costs of US\$ 1,989,688 were charged to the income statement (2024: US\$ 1,880,961). Pension obligations outstanding on 31 December 2025 were US\$ 177,941 (2024: US\$ Nil).

34 Provisions

In accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, the Bank recognises a provision for the estimated unavoidable costs of meeting its contractual obligations to restore leased premises to their original condition at the end of the lease term.

The provision represents management's best estimate of the expenditure required to settle the obligation, based on expected reinstatement and repair costs under the terms of the Bank's current property lease.

During 2024, a total provision of GBP 135,000 was recognised. As at the reporting date, this amount was translated to US\$ 181,035 (2024: US\$ 169,398) and is presented within provisions in the statement of financial position.

Cash outflows are not anticipated until the lease term concludes in January 2034, assuming no further renewal.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

35 Commitments and contingencies

Trade finance contingencies

	2025 US\$	2024 US\$
Letters of credit and acceptances (including cash-backed)	132,591,146	195,722,434
Guarantees	36,388,978	17,153,026
Undrawn committed facilities	50,883,576	26,113,617
Total	219,863,700	238,989,077

Cash collateral and other high-quality mitigations (see Note 37) **457,631,971** 437,991,423

Cash collateral and other high-quality mitigations include cash, property/real estate, guarantees, back-to-back letters of credit and other forms of collateral.

ECL Impairment allowance on Undrawn committed facilities is disclosed above in Note 20. The Bank has Undrawn committed facilities of US\$ 50,883,576 at the end of 2025 (2024: US\$ 26,113,617).

Sectoral breakdown of Commitments and contingencies:

Sector:

	2025 US\$	2024 US\$
General Commerce	74,029,259	18,028,693
Government	–	15,197,293
Finance and Insurance	145,834,441	205,763,091
Total	219,863,700	238,989,077

The maturity profile is presented in the table below:

	Less than 3 months US\$	Between 3 & 12 months US\$	1 to 5 Years US\$	Total US\$
2025				
Trade finance contingencies				
Letters of credit and acceptances (including cash-backed)	48,264,121	76,110,264	8,216,761	132,591,146
Guarantees	1,495,143	26,700,467	8,193,368	36,388,978
Undrawn committed facilities	188,508	17,220,761	33,474,307	50,883,576
Total	49,947,772	120,031,492	49,884,436	219,863,700
2024				
Trade finance contingencies				
Letters of credit and acceptances (including cash-backed)	58,049,085	127,121,496	10,551,853	195,722,434
Guarantees	715,000	16,438,026	–	17,153,026
Undrawn committed facilities	718,232	23,771,218	1,624,167	26,113,617
Total	59,482,317	167,330,740	12,176,020	238,989,077

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

36 Financial Instruments

Accounting classifications and fair values

Management expects the fair values of 'Loans and advances to banks' to approximate the book values given these are mostly short-term placements and/or attract floating rates. Valuation of 'Loans and Advances to customers' considers the impact of movement in credit spreads and other client specific risk factors.

The fair value of each class of financial assets and financial liabilities are shown in the statement of financial position as follows:

	At fair value through profit or loss US\$	At fair value through other comprehensive income US\$	At amortised cost US\$	Total Carrying amount US\$	Total Fair value US\$
2025					
Cash and cash equivalents	–	–	428,080,578	428,080,578	428,080,578
Securities measured at fair value through profit or loss	858,941	–	–	858,941	858,941
Securities measured at fair value through other comprehensive income	–	1,450,126,248	–	1,450,126,248	1,450,126,248
Securities measured at amortised cost	–	–	248,905,012	248,905,012	256,114,401
Loans and advances to banks	–	–	195,655,785	195,655,785	188,720,157
Loans and advances to customers	–	–	647,161,416	647,161,416	605,992,237
Derivative financial assets	2,283,351	–	–	2,283,351	2,283,351
Total financial assets	3,142,292	1,450,126,248	1,519,802,791	2,973,071,331	2,932,175,913
Deposits from banks	–	–	1,467,870,447	1,467,870,447	1,457,901,430
Deposits from customers	–	–	1,053,913,293	1,053,913,293	1,016,929,040
Repurchase agreements and other similar secured borrowing	–	–	14,432,159	14,432,159	13,950,125
Derivative financial liabilities	398,654	–	–	398,654	398,654
Total financial liabilities	398,654	–	2,536,215,899	2,536,614,553	2,489,179,249
	At fair value through profit or loss US\$	At fair value through other comprehensive income US\$	At amortised cost US\$	Total Carrying amount US\$	Total Fair value US\$
2024					
Cash and cash equivalents	–	–	480,233,340	480,233,340	480,233,340
Securities measured at fair value through profit or loss	4,295,068	–	–	4,295,068	4,295,068
Securities measured at fair value through other comprehensive income	–	1,373,024,636	–	1,373,024,636	1,373,024,636
Securities measured at amortised cost	–	–	213,536,320	213,536,320	217,760,059
Loans and advances to banks	–	–	112,643,670	112,643,670	109,466,006
Loans and advances to customers	–	–	443,603,255	443,603,255	421,441,375
Derivative financial assets	1,517,779	–	–	1,517,779	1,517,779
Total financial assets	5,812,847	1,373,024,636	1,250,016,585	2,628,854,068	2,607,738,263
Deposits from banks	–	–	1,285,833,708	1,285,833,708	1,276,189,986
Deposits from customers	–	–	871,249,258	871,249,258	833,916,136
Repurchase agreements and other similar secured borrowing	–	–	88,965,017	88,965,017	84,879,495
Derivative financial liabilities	3,094,465	–	–	3,094,465	3,094,465
Total financial liabilities	3,094,465	–	2,246,047,983	2,249,142,448	2,198,080,082

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

36 Financial Instruments (continued)

Fair value hierarchy

The Bank regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then it assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

The Bank measures fair value using the following fair value hierarchy:

- Level 1 inputs are quoted prices (i.e., unadjusted) in active markets for identical assets or liabilities that the entity can assess at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 inputs are unobservable inputs for the asset or liability (i.e., not based on observable market data).

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurements
Financial instruments measured at fair value			
Forward exchange contracts and Non-Deliverable Forward Contracts (Level 2)	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable.	Not applicable.
Financial instruments not measured at fair value (i.e. amortised cost)			
Other financial assets* (Level 3)	Discounted cash flows: The valuation model considers the present value of expected contractual payments or receipts as applicable of principal and interest amounts, discounted using a risk-free discount rate for balances and currencies as follows: ● Secured Overnight Funding Rate (SOFR) for US Dollar balances. ● Sterling Overnight Index Average (SONIA) for GB Sterling balances ● Euro Interbank Offered Rate (EURIBOR) for Euro balances	Other than contractual cashflows which are discounted in the methodology adopted, there are no unobservable inputs adopted in the Bank's fair valuation model.	The fair value depends on the contractual cashflows relating to the respective financial instruments.
Other financial liabilities** (Level 3)	Same as above.	Same as above.	Same as above.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

36 Financial Instruments (continued)

Reconciliation of Level 3 Fair values

	2025 Assets US\$	2025 Liabilities US\$	2024 Assets US\$	2024 Liabilities US\$
Balance as at 1 January	530,907,381	2,194,985,617	491,245,701	2,261,940,952
Unrealised gains/(losses)	49,160,195	275,328,447	(23,258,035)	11,948,932
Disbursements	1,482,287,783	39,643,898,611	1,421,332,061	34,556,359,158
Repayments	(1,282,441,970)	(39,623,370,125)	(1,358,412,347)	(34,635,263,425)
Balance as at 31 December	779,913,389	2,490,842,550	530,907,380	2,194,985,617

* Other financial assets include Loans and advances to banks and Loans and advances to customers which are measured at amortised cost.

** Other financial liabilities include Deposits from banks, Deposits from customers and Repurchase agreements and other similar secured borrowing which are measured at amortised cost.

There has been no transfer of financial instruments between Level 1, Level 2, or Level 3 during the current and previous year. The change in fair value is not recognised in Statement of Other Comprehensive Income as it relates to financial assets and liabilities which are measured at amortised cost.

The fair value measurement is sensitive to movements in the discount rate, which is a significant unobservable input. As this assumption is derived from judgement-based market estimates, an increase in the discount rate would be expected to reduce the fair value, while a decrease would increase it. Consequently, reasonable possible changes in this input could result in material variability in the valuation.

The following tables outline the fair value hierarchy of financial instruments at carrying amount:

2025	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Assets				
Cash and cash equivalents	428,080,578	–	–	428,080,578
Securities measured at fair value through profit or loss	858,941	–	–	858,941
Securities measured at fair value through other comprehensive income	1,450,126,248	–	–	1,450,126,248
Securities measured at amortised cost	248,905,012	–	–	248,905,012
Derivative financial assets	–	2,283,351	–	2,283,351
Loans and advances to banks	–	–	195,655,785	195,655,785
Loans and advances to customers	–	–	647,161,416	647,161,416
	2,127,970,779	2,283,351	842,817,201	2,973,071,331

2025	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Liabilities				
Deposits from banks	–	–	1,467,870,447	1,467,870,447
Deposits from customers	–	–	1,053,913,293	1,053,913,293
Repurchase agreements and other similar secured borrowing	–	–	14,432,159	14,432,159
Derivative financial liabilities	–	398,654	–	398,654
	–	398,654	2,536,215,899	2,536,614,553

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

36 Financial Instruments (continued)

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
2024				
Assets				
Cash and cash equivalents	480,233,340	–	–	480,233,340
Securities measured at fair value through profit or loss	4,295,068	–	–	4,295,068
Securities measured at fair value through other comprehensive income	1,373,024,636	–	–	1,373,024,636
Securities measured at amortised cost	213,536,320	–	–	213,536,320
Derivative financial assets	–	1,517,779	–	1,517,779
Loans and advances to banks	–	–	112,643,670	112,643,670
Loans and advances to customers	–	–	443,603,255	443,603,255
	2,071,089,364	1,517,779	556,246,925	2,628,854,068
2024				
Liabilities				
Deposits from banks	–	–	1,285,833,708	1,285,833,708
Deposits from customers	–	–	871,249,258	871,249,258
Repurchase agreements and other similar secured borrowing	–	–	88,965,017	88,965,017
Derivative financial liabilities	–	3,094,465	–	3,094,465
	–	3,094,465	2,246,047,983	2,249,142,448

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

36 Financial Instruments (continued)

The following table summarises carrying amounts and fair value hierarchy of financial instruments:

	Carrying amount				Fair value				
	At fair value through profit or loss US\$	At amortised cost US\$	At fair value through other comprehensive income US\$	Other financial assets / liabilities at amortised cost US\$	Total Carrying amount US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair value US\$
2025									
Cash and cash equivalents	–	428,080,578	–	–	428,080,578	428,080,578	–	–	428,080,578
Securities measured at fair value through profit or loss	858,941	–	–	–	858,941	858,941	–	–	858,941
Securities measured at fair value through other comprehensive income	–	–	1,450,126,248	–	1,450,126,248	1,450,126,248	–	–	1,450,126,248
Securities measured at amortised cost	–	248,905,012	–	–	248,905,012	256,114,401	–	–	256,114,401
Loans and advances to banks	–	195,655,785	–	–	195,655,785	–	–	188,720,157	188,720,157
Loans and advances to customers	–	647,161,416	–	–	647,161,416	–	–	605,992,237	605,992,237
Derivative financial assets	2,283,351	–	–	–	2,283,351	–	2,283,351	–	2,283,351
Total financial assets	3,142,292	1,519,802,791	1,450,126,248	–	2,973,071,331	2,135,180,168	2,283,351	794,712,394	2,932,175,913
Deposits from banks	–	–	–	1,467,870,447	1,467,870,447	–	–	1,457,901,430	1,457,901,430
Deposits from customers	–	–	–	1,053,913,293	1,053,913,293	–	–	1,016,929,040	1,016,929,040
Repurchase agreements and other similar secured borrowing	–	–	–	14,432,159	14,432,159	–	–	13,950,125	13,950,125
Derivative financial liabilities	398,654	–	–	–	398,654	–	398,654	–	398,654
Total financial liabilities	398,654	–	–	2,536,215,899	2,536,614,553	–	398,654	2,488,780,595	2,489,179,249
	Carrying amount				Fair value				
	At fair value through profit or loss US\$	At amortised cost US\$	At fair value through other comprehensive income US\$	Other financial assets / liabilities at amortised cost US\$	Total Carrying amount US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair value US\$
2024									
Cash and cash equivalents	–	480,233,340	–	–	480,233,340	480,233,340	–	–	480,233,340
Securities measured at fair value through profit or loss	4,295,068	–	–	–	4,295,068	4,295,068	–	–	4,295,068
Securities measured at fair value through other comprehensive income	–	–	1,373,024,636	–	1,373,024,636	1,373,024,636	–	–	1,373,024,636
Securities measured at amortised cost	–	213,536,320	–	–	213,536,320	217,760,059	–	–	217,760,059
Loans and advances to banks	–	112,643,670	–	–	112,643,670	–	–	109,466,006	109,466,006
Loans and advances to customers	–	443,603,255	–	–	443,603,255	–	–	421,441,375	421,441,375
Derivative financial assets	1,517,779	–	–	–	1,517,779	–	1,517,779	–	1,517,779
Total financial assets	5,812,847	1,250,016,585	1,373,024,636	–	2,628,854,068	2,075,313,103	1,517,779	530,907,381	2,607,738,263
Deposits from banks	–	–	–	1,285,833,708	1,285,833,708	–	–	1,276,189,986	1,276,189,986
Deposits from customers	–	–	–	871,249,258	871,249,258	–	–	833,916,136	833,916,136
Repurchase agreements and other similar secured borrowing	–	–	–	88,965,017	88,965,017	–	–	84,879,495	84,879,495
Derivative financial liabilities	3,094,465	–	–	–	3,094,465	–	3,094,465	–	3,094,465
Total financial liabilities	3,094,465	–	–	2,246,047,983	2,249,142,448	–	3,094,465	2,194,985,617	2,198,080,082

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management

The Bank is exposed to the following risks from financial instruments:

- credit risk;
- liquidity risk;
- market risk:
 - foreign exchange risk; and
 - interest rate risk.

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies, and processes for measuring and managing risk, and the Bank's management of capital.

Risk Management Framework

The Bank is committed to the management of risks, recognising that sound internal risk management is essential to its prudent operation, particularly with the growing complexity, diversity, and volatility of markets, facilitated by advances in technology and communications. Risk management activities are given due recognition in the Bank's business decision making process.

Responsibility for risk management policies and limits in the level of risks assumed lies with the Board of Directors. The Board charges management with developing, presenting, updating, and implementing these policies, controls, and limits. The structure is designed to provide assurance that no single event or combination of events will materially affect the Bank.

The Bank's Board of Directors and Senior Management monitor compliance with risk management, assist in assessing market trends, economic and political developments, and in providing global strategic direction for all aspects of risk management. The Asset and Liability Committee and the Market Risk Committee provide a forum for in-depth review and analysis of the market and liquidity risks to which the Bank is potentially exposed.

The following fundamental principles of sound risk management apply to all financial instruments including derivatives:

- appropriate review by the Board of Directors and Senior Management;
- adequate risk management processes;
- sound measurement and information systems; and
- segregation of duties, comprehensive internal controls, and internal audit procedures.

Credit Risk Management

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Bank's receivables from customers and investment securities.

The Bank's credit risk management strategy is shaped by its target markets, geographies, and product offerings. The approved risk appetite dictates the quality and types of credit risks acceptable to the Bank, and is informed by the credit ratings of obligors, as well as intrinsic and extrinsic factors, such as but not limited to, macroeconomic conditions, opportunities and threats created by market developments, geo-political landscape, that may impact creditworthiness.

The Bank aims to maintain a prudent and effective credit risk management framework that supports its business objectives while minimising potential losses. In addition to credit risk considerations, the Bank's strategy also takes into account other key factors, including:

- Efficient use of capital to optimise returns
- Deep domain expertise in targeted markets and products

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

The Bank mainly lends to major West African corporates and financial institutions which, are long established customers of the Zenith Group, and UK and European trading companies against an underlying trade transaction evidenced by an incoming Nigerian or other West African Bank Letter of Credit (LC).

International interbank lending is predominantly made to investment grade-rated organisations and in line with the Credit Scoring Policy & Procedures manual. All limits are set and monitored against the Bank's capital resources as set out in its Credit Risk Policy. Retail lending is made to only established customers of the Group in accordance with strict credit and security parameters.

The Bank's Credit Risk Policy covers the credit, limits structures, delegated authorities, and credit risk grading issues for the Bank, taking account of the Bank's appetite for risk. The Bank's objective is to have a high quality, diversified loan portfolio which will generate profits commensurate with the risks and the Bank's target return on investments and enable the Bank to identify potential problem loans.

Forbearance practices

Forbearance occurs when a lender decides to modify the terms and conditions of a loan or debt security because of financial difficulty. Examples may include reducing interest rates, delaying payment of principal, and amending or not enforcing covenants, or any combinations. When considering facilities that demonstrate areas of heightened concern leading to potential forbearance, management looks to the full breadth of the relationship with the Bank and the wider Group where support, both tangible and intangible, may lie. Similarly, valuable revenue producing opportunities also present in this context and a balanced judgement is therefore necessary in such areas.

The interest rate and inflationary environment prevailing during 2025 placed impacted a number of sectors, most notably the property market. The Bank maintains a modest portfolio of investment mortgages, all of which remain of strong asset quality and were not materially affected by these economic conditions.

While some macroeconomic pressures may continue to transmit through the real economy with a lag, particularly in interest-rate-sensitive sectors, the Bank remains vigilant. Management continues to monitor closely for any isolated cases where temporary support may be appropriate in future periods, in line with established credit risk governance and regulatory expectations.

Lending subject to forbearance as at the year-end 2025 was US\$ Nil (2024: US\$ Nil).

Summary of Forward-Looking Information in Expected Credit Loss Determination

The Bank's Expected Credit Loss ("ECL") framework incorporates forward-looking information as required under IFRS 9 by adjusting Probability of Default ("PD") estimates to reflect current and forecast macroeconomic conditions. The methodology transitions from long-run Through-the-Cycle ("TTC") PD anchors to Point-in-Time ("PiT") PDs that are responsive to the economic outlook.

Forward-looking adjustments are grounded in statistically significant macroeconomic relationships. Regression analysis identified World Real GDP Growth as the primary explanatory variable for observed default behaviour across rating grades. The Bank therefore applies IMF-sourced GDP forecasts to derive forward-looking PD term structures under multiple scenarios, ensuring that impairment allowances reflect an unbiased, probability-weighted view of potential credit outcomes.

Sensitivity and Impact Analysis of ECL Assessment

The ECL allowance is sensitive to movements in macroeconomic expectations, particularly global growth assumptions, given the Bank's internationally diversified credit portfolio. Changes in GDP forecasts affect the PiT adjustment applied to TTC PDs, resulting in higher or lower expected default likelihoods depending on the scenario.

Sensitivity is assessed through:

- recalculation of PD curves under alternative economic paths;
- scenario probability weightings reflecting regional volatility and outlook; and
- monitoring of ECL responsiveness to shifts in downside risk.

This ensures that the impairment allowance appropriately captures non-linear deterioration effects during periods of economic stress, consistent with IFRS 9 requirements for forward-looking loss recognition.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

Credit Loss Modelling Scenarios

In accordance with IFRS 9, the Bank applies a multi-scenario approach to capture a range of possible macroeconomic outcomes. Three explicit forward-looking scenarios are modelled:

- Baseline (Business-as-Usual): central IMF forecast
- Optimistic: stronger growth environment (Baseline + uplift)
- Downturn: adverse stress environment (Baseline – deterioration)

Each scenario produces a distinct PIT PD curve across rating grades. The final ECL is determined as a probability-weighted aggregate across these scenarios, ensuring that expected credit losses are not based on a single deterministic forecast but reflect a corridor of plausible outcomes.

Post Model Adjustment and Governance

Management overlays or post-model adjustments are applied only where necessary to address limitations not captured in the underlying model, such as emerging risks, data constraints, or exceptional portfolio-specific considerations.

For the current reporting period, no additional expert-judgement overlays were deemed necessary, as the IMF-based scenario calibration and probability weighting framework was assessed as sufficient and consistent with observed risk conditions.

All post-model adjustments are subject to formal governance, including:

- documentation of rationale and quantitative impact;
- review by Finance and Risk functions; and
- escalation through appropriate senior management and committee oversight.

Credit Risk Ratings

The Bank assigns internal credit risk (ICR) grades to all counterparties, aligned to external rating benchmarks and calibrated to observed default experience. These internal grades form the primary input for probability of default (PD) estimation, with through-the-cycle (TTC) PDs anchored to long-run historical default studies to ensure stability and consistency over economic cycles.

To maintain appropriate risk differentiation across the full credit spectrum, lower-rated categories (e.g., CCC/C) are derived using controlled interpolation techniques that enforce monotonicity and preserve the relationship between credit quality and expected default behaviour.

Credit risk ratings are subject to regular review to ensure timely recognition of changes in borrower credit quality and to support accurate allocation to staging under IFRS 9. Rating migration is assessed by comparing each counterparty's current ICR grade against its grade at initial recognition. A significant increase in credit risk (SICR) is determined when the rating deteriorates by one or more credit quality steps (CQS). For example, a movement from AA+ to AA- does not constitute SICR as both ratings fall within the 'High Grade' category, whereas a migration from A ('Upper Medium Grade') to BBB+ ('Lower Medium Grade') represents a SICR event. Assets rated within CQS AAA to CQS A- are considered to exhibit low credit risk.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

The movement in buckets is reflected below:

Ratings	CQS	SICR Trigger
AAA	1	Prime
AA+	1	High Grade
AA	1	High Grade
AA-	1	High Grade
A+	2	Upper Medium Grade
A	2	Upper Medium Grade
A-	2	Upper Medium Grade
BBB+	3	Lower Medium Grade
BBB	3	Lower Medium Grade
BBB-	3	Lower Medium Grade
BB+	4	Non-investment Grade Speculative
BB	4	Non-investment Grade Speculative
BB-	4	Non-investment Grade Speculative
B+	5	Highly Speculative
B	5	Highly Speculative
B-	5	Highly Speculative
CCC+	6	Substantial Risks
CCC	6	Extremely Speculative
CCC-	6	In Default with little prospect of recovery
CC	6	In Default with little prospect of recovery
C	6	In Default with little prospect of recovery
D	6	In Default

A favourable movement in CQS buckets above results in a decrease in credit risk.

Expected Credit Loss Measurement

ECL is measured as the present value of expected credit losses, incorporating:

- Probability of Default (PD)
- Loss Given Default (LGD)
- Exposure at Default (EAD)
- Forward-looking macroeconomic information
- Probability-weighted scenario outcomes

The Bank recognises:

- 12-month ECL for Stage 1 exposures; and
- Lifetime ECL for Stage 2 and Stage 3 exposures.
- This staging approach ensures earlier recognition of credit deterioration consistent with IFRS 9 impairment principles.

Transfers within Stages

Exposures are allocated to Stage 1, Stage 2, or Stage 3 based on changes in credit risk since initial recognition.

Transfers between stages occur when there is evidence of:

- Significant Increase in Credit Risk ("SICR")
- Objective credit impairment indicators
- Default or non-performing status

Stage allocation is assessed at each reporting date using quantitative and qualitative criteria, supported by governance review and escalation where required.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

The following table describes the basis of reclassification from Stage 1 to 2 and from Stage 2 to 3 respectively:

Stage Reclassification	Quantitative Assessment	Qualitative Assessment
Stage 1 to Stage 2 reclassification occurs when an exposure is assessed to have experienced a significant increase in credit risk:	As a default assumption any asset whose credit ratings (internal and external) drops corresponds to a drop in a credit quality step ("CQS") of at least one-notch or for which a payment of principal and/or interest is past due by more than 30 days will be transferred from Stage 1 to Stage 2. CQS refers to the categorisation of external credit assessment institutions (ECAI) recognised under the Regulation (EU) No 575/2013 of the Council of the European Union.	The Bank considers several factors in assessing whether there is an indication of a significant increase in credit risk. These include breaches in facility covenants, adverse developments, or information. The risk of default occurring at the reporting date is compared with that at initial recognition, considering reasonable and supportable information, including information about past events, current conditions, and future economic conditions.
Stage 2 to Stage 3 reclassification, which are in default, or which have become credit impaired.	Any exposure which is more than 90 days past due and/or whose credit ratings (internal and external) drop corresponds to a drop in credit quality step (CQS) since its classification to Stage 2 (or 2 successive CQS notch downgrades since its inception or 1 CQS drop since last assessment and staging) is deemed to be in default.	The Bank considers several factors in assessing whether there is an indication credit impairment. These include, but are not limited to the following: (a) Continued losses or significant decrease in revenue or, in general, in the client's recurring cash flows. (b) General delay in payments or insufficient cash flows to service debts. (c) Significantly inadequate economic or financial structure or inability of the client to obtain additional financing. (d) Existence of an internal or external credit rating, which shows that the client is in default. (e) Existence of overdue customer commitments with a significant amount to public institutions or employees. (f) Continual requests for the rolling or extension of the exposure, which prompt a requirement for enhanced scrutiny. (g) Covenant breaches (h) Continued security shortfalls (i) Adverse developments regarding the obligor.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

Factors Influencing the ECL Loss Allowance Estimate

The Bank's ECL allowance is shaped by movements in key credit-risk parameters and portfolio activity throughout the year. ECL is measured as the product of PD, LGD and EAD, with 12-month PDs applied to Stage 1 exposures and lifetime PDs applied to Stages 2 and 3. PDs are mapped to external corporate default rates and adjusted for maturity, including prorating for exposures with less than 12 months to maturity. LGD is generally set at 45% (40% for corporate loans), unless more specific loss evidence exists, and EAD reflects expected balances at default, including amortisation, interest accruals and potential drawdowns. Collateralised exposures use an exposure-weighted LGD combining secured and unsecured components.

Forward-looking information is incorporated through macroeconomic scenarios, probability weightings and adjustments to PDs and LGDs. Regional segmentation ensures exposures in different economic environments receive differentiated scenario paths aligned to the Bank's risk profile.

Year-on-year changes in the ECL allowance arise from rating migrations, stage transfers, updated PD/LGD/EAD estimates, new originations, derecognition of assets, repayments, foreign-currency movements, and updates to models or assumptions. Post-model adjustments are applied where expert judgement is required to capture risks not fully reflected in the model outputs. Scenario updates, calibration refinements, particularly for lower-rated exposures, and enhancements to the credit modelling tool also contribute to changes in the allowance.

Overall, the ECL estimate reflects a combination of borrower-specific risk, portfolio composition and evolving macroeconomic conditions, ensuring a forward-looking and unbiased assessment of expected credit losses.

ECL Model Risk and Governance

The Bank's ECL model is owned and operated by the Risk function, which has first-line accountability for credit risk measurement under IFRS 9. The Finance function provides independent oversight of the methodology, key assumptions, scenario calibration and staging outcomes, ensuring consistency with financial reporting requirements and maintaining auditability.

Executive governance is exercised through the Management Credit Committee (MCC), which challenges model inputs, approves material methodological changes, and oversees validation activities and any post-model adjustments. Significant judgements, ECL results and model developments are escalated through senior management governance and reported to the Board Risk Committee (BRC) and, where relevant, the Audit & Compliance Committee, with ultimate oversight residing with the Board.

The Bank's model governance framework ensures that ECL methodologies remain transparent, well-controlled and compliant with IFRS 9. Key controls include:

- independent review of macroeconomic driver selection;
- validation of PD calibration and interpolation techniques;
- monotonicity and reasonableness testing across rating grades;
- structured spreadsheet model governance; and
- periodic enhancements in response to audit and regulatory feedback.

This governance structure promotes model discipline and helps ensure that ECL outcomes remain appropriate and reflective of the Bank's evolving risk profile.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

Cure Periods and Triggers

Cure periods are applied where exposures demonstrate sustained improvement in credit risk following deterioration. Transfers from Stage 2 back to Stage 1 require evidence that SICR triggers are no longer met over a defined observation horizon.

Triggers for deterioration or cure include:

- rating upgrades/downgrades;
- delinquency thresholds;
- restructuring or watchlist status; and
- qualitative credit concerns.

These mechanisms ensure that staging remains stable, timely, and reflective of underlying borrower performance.

Summary of Changes in Estimation Techniques and Assumptions

During the period, the Bank implemented targeted enhancements to improve the forward-looking responsiveness and methodological robustness of the ECL framework.

Key developments included:

- introduction of a GDP-linked PiT PD transformation methodology;
- enhanced geographic segmentation across material regions; and
- revised log-space interpolation for CCC-level rating grades.

These enhancements strengthen auditability, improve economic sensitivity, and align impairment outcomes more closely with the Bank's evolving global risk profile.

IFRS 9 ECL Staging Analysis:

2025 US\$	ECL Stage 1	ECL Stage 2	ECL Stage 3	Total ECL
Securities measured at fair value through other comprehensive income	282,098	421,248	–	703,346
Securities measured at amortised cost	2,266,835	1,573,609	–	3,840,444
Loans and advances to banks	1,275,984	–	–	1,275,984
Loans and advances to customers	4,099,161	656,492	–	4,755,653
Impairment on off balance sheet assets	703,830	–	–	703,830
Total	8,627,908	2,651,349	–	11,279,257

2024 US\$	ECL Stage 1	ECL Stage 2	ECL Stage 3	Total ECL
Securities measured at fair value through other comprehensive income	392,700	640,548	–	1,033,248
Securities measured at amortised cost	2,190,885	4,878,575	1,350,000	8,419,460
Loans and advances to banks	764,677	–	–	764,677
Loans and advances to customers	2,871,738	434,213	–	3,305,951
Impairment on off balance sheet assets	625,420	–	–	625,420
Total	6,845,420	5,953,336	1,350,000	14,148,756

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

The sectoral breakdown of Loans and advances to customers as reporting date is as presented below:

	2025				2024			
	Gross exposures	ECL allowance	Net exposures	ECL allowance as % of Gross exposures	Gross exposures	ECL allowance	Net exposures	ECL allowance as % of Gross exposures
Loans and advances to customers	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Industry:								
Consumer Credit	3,648,470	(36,363)	3,612,107	1.0%	4,845,708	(39,453)	4,806,255	0.8%
General Commerce	188,034,885	(310,095)	187,724,790	0.2%	115,772,640	(72,592)	115,700,048	0.1%
Government	224,174,850	(2,143,483)	222,031,367	1.0%	131,486,767	(606,485)	130,880,282	0.5%
Manufacturing	28,051,601	(334,162)	27,717,439	1.2%	25,368,731	(272,103)	25,096,628	1.1%
Oil and Gas	13,769,296	(226,643)	13,542,653	1.6%	64,028,553	(1,017,085)	63,011,468	1.6%
Real Estate and Construction	20,040,566	(196,191)	19,844,375	1.0%	20,972,696	(505,663)	20,467,033	2.4%
Transportation	28,645,536	(18,764)	28,626,772	0.1%	47,563,677	(393,693)	47,169,984	0.8%
Others	145,551,865	(1,489,952)	144,061,913	1.0%	36,870,434	(398,877)	36,471,557	1.1%
	651,917,069	(4,755,653)	647,161,416	0.7%	446,909,206	(3,305,951)	443,603,255	0.7%

'Others' mainly include gross and net exposure of football receivables financing transactions of US\$ 134,046,387 and US\$ 132,561,329 respectively outstanding as at year end (2024: gross and net exposure of US\$ 36,870,434 respectively).

Measurement uncertainty and sensitivity analysis of ECL estimates

The ECL calculation is sensitive to changes in scenario weightings and Probability of Default (PD) as explained below.

Scenario Weightings

Across the portfolio, the credit loss allowance is sensitive to changes in the weighting of each scenario. A 10% increase in the weighting of the 'Downturn' scenario (with a corresponding 10% decrease in the weighting of the 'Base Case' scenario) across the portfolio would result in an increase of US\$ 251,529 (2024: US\$ 1,533,370) in the expected credit loss allowance.

Sensitivity Analysis: Change in scenario weightings assigned

The scenarios adopted in the new methodology take into consideration geographies in which the Bank has risk exposures as these are more representative of the performance of the Bank's portfolio. These scenarios seek to reflect the probability weightings that correlate to the likelihood that changes in the economies of those jurisdictions could result in better or worse conditions as compared to base case scenario.

Given the changes in the methodology, the analysis presented has been modelled to reflect sensitivity around Scenario A (Business-As-Usual) in relation to which other scenarios are determined. For example, if Scenario B (Downturn) increases then Scenario A (Business-As-Usual) decreases correspondingly, and no impact on Scenario C (Optimistic). Thus, this approach is deemed to be most representative of the possible changes to the expected credit loss estimate presented in the financial statements.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

The case below considers alternative scenario weightings to reflect an increase in credit risk compared to Scenario A.

Case: Scenario weightings increase by 10% for Scenario B (Downturn) and decrease by 10% for Scenario A, respectively. Scenario C remains unchanged.

2025	Base Case US\$	'Downturn' increases by 10%; 'Base Case decreases by 10%) US\$	US\$	Change in ECL Allowance Incr/(Decr) %
Stage 1	8,627,908	8,855,296	227,388	3%
Stage 2	2,651,349	2,675,490	24,141	1%
Stage 3	–	–	–	0%
Total ECL Allowance	11,279,257	11,530,786	251,529	2%

Scenario weightings increase by 10% for Scenario B (Downturn) and decrease by 10% for Scenario A (Business-As-Usual), respectively. Scenario C (Optimistic) remains unchanged.

2024	Base Case US\$	Case (‘Downturn’ increases by 10%; ‘Base Case decreases by 10%) US\$	US\$	Change in ECL Allowance Incr/(Decr) %
Stage 1	6,845,420	8,307,454	1,462,034	21%
Stage 2	5,953,336	6,024,672	71,336	1%
Stage 3	1,350,000	1,350,000	–	0%
Total ECL Allowance	14,148,756	15,682,126	1,533,370	11%

Probability of Default (PD)

The credit allowance estimate is also sensitive to changes in PD. Worsening PDs by 10bps results in an increase of US\$ 953,354 (2024: US\$ 711,893).

Sensitivity Analysis: Change in PDs assigned

The case below considers alternative PDs to reflect an increase in credit risk compared to Scenario A.

Case: PDs deteriorate by 10% for each credit rating incrementally for Scenario A (Business-As-Usual), Scenario B (Downturn) and Scenario C (Optimistic), respectively.

2025	Base Case US\$	Case (PDs worsen by 10%) US\$	US\$	Change in ECL Allowance Incr/(Decr) %
Stage 1	8,627,908	9,490,729	868,821	10%
Stage 2	2,651,349	2,741,882	90,533	3%
Stage 3	–	–	–	0%
Total ECL Allowance	11,279,257	12,232,311	953,354	8%

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

PDs deteriorate by 10% for each credit rating incrementally for scenarios A, B and C, respectively.

2024	Base Case US\$	Case (PDs worsen by 10%) US\$	US\$	Change in ECL Allowance Incr/(Decr) %
Stage 1	6,845,420	7,523,757	678,337	10%
Stage 2	5,953,336	5,986,892	33,556	1%
Stage 3	1,350,000	1,350,000	–	0%
Total ECL Allowance	14,148,756	14,860,649	711,893	5%

The focus of the simulations is on ECL allowance requirements on performing exposures in Stage 1 and Stage 2. The simulations are run on a stand-alone basis and are independent of each other. The potential ECL impacts reflect the simulated impact as at 31 December 2025.

Scenario impacts on SICR are considered when evaluating the ECL movements of Stage 1 and Stage 2. In all scenarios the total exposure and exposure by stage were the same. Stage 3 provisions are not subject to the same level of measurement uncertainty – default is an observed event as at the balance sheet date. Stage 3 provisions therefore have not been considered in this analysis.

Collateral

Collateral and security are an important mitigant of credit risk.

Where applicable, the Bank obtains collateral and security and ensures that any collateral held is sufficiently liquid, legally effective, enforceable, and regularly reassessed.

General Collateral Arrangements

As part of its credit risk management framework, the Bank requires borrowers to provide collateral as security for certain loan facilities. The specific terms and conditions governing the collateral are determined based on the credit risk assessment, borrower profile, and nature of the underlying financial exposure. In certain circumstances, to give the Bank additional comfort on the enforceability of securities, the Bank may elect to take legal opinions especially if such securities are situated in new jurisdictions or in respect of transactions with complex legal structures.

Collateral arrangements, where applicable, are reviewed and discussed at the Bank's Management Credit Committee meetings.

Types of Acceptable Collateral

The Bank accepts a range of collateral types, including, but not limited to:

- Cash and Cash Equivalents – Pledged deposits held with the Bank.
- Real Estate Assets – Residential properties, subject to periodic valuation.
- Marketable Securities – Shares, bonds, and other liquid financial instruments, with appropriate haircuts applied.
- Receivables and Inventory – Trade receivables and stock, typically pledged under structured trade finance arrangements.
- Guarantees and Credit Enhancements – Third-party guarantees and standby letters of credit.

Collateral Valuation and Reassessment

The Bank periodically reassesses the fair value of collateral held to ensure adequate credit risk coverage. The frequency and methodology of revaluation depend on the asset class and market conditions. Independent valuations may be required for certain asset types, particularly real estate, and moveable assets such as boats and ships. Independent valuation is undertaken by qualified valuation experts which are pooled from the Bank's approved panel of valuers. This applies to 3.6% of the total collateral as at reporting date (2024: 4.3%).

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

The Bank applies appropriate valuation adjustments or haircuts to reflect potential volatility in collateral values on individual exposures.

Borrowers are required to maintain the collateral in good condition and comply with any covenants related to the pledged assets. The Bank retains the right to demand additional collateral if the value of existing collateral declines below agreed coverage thresholds. In the event of borrower default, the Bank may exercise its rights over the pledged assets, subject to applicable contractual and legal provisions.

Unless explicitly permitted under the contractual terms, the Bank does not have the right to sell, repledge, or otherwise utilise the collateral provided by borrowers. In cases where the Bank has such rights, disclosures include:

- The carrying amount of collateral repledged or otherwise used.
- The nature of restrictions or conditions imposed on the repledged collateral.

Where applicable, the Bank discloses whether pledged collateral is subject to encumbrances, such as prior claims by other creditors or regulatory constraints that limit the Bank's ability to enforce security rights. Pledged collateral subject to encumbrances is US\$ Nil in 2025 (2024: US\$ Nil).

Maximum exposure to credit risk

The maximum exposure to credit risk (net of mitigations) on 'bank balances and money market placements,' 'securities,' 'loans and advances to banks' and 'loans and advances customers' and 'off balance sheet items' at the statement of financial position date was US\$ 3,314 million (2024: US\$ 3,047 million).

The following table sets out the principal types of collateral pertaining to 'loans and advances to banks' and 'loans and advances to customers' held by the Bank:

	2025 US\$	2024 (Restated) US\$
Collateral analysis		
Cash	104,490,074	160,171,854
Property and equipment	16,632,793	18,789,167
Guarantees received	203,048,137	60,036,209
All assets debenture	51,583,197	39,805,548
First charge / lien mortgage	10,634,718	28,604,983
Fixed and/or floating charge over assets	31,509,210	99,601,126
Negative pledge of the borrowers	–	10,477,935
Assignment of sales contracts	28,171,777	15,786,449
Irrevocable domiciliation of proceeds	11,062,065	4,629,143
Debt securities	500,000	–
Other collateral	–	89,009
Total	457,631,971	437,991,423

'Cash' in the above table includes pledges over account balances of US\$ 64,488,751 (2024: US\$ 134,598,411) placed by the Parent with the Bank which are used as collateral for certain Trade Finance transactions.

'Property and equipment' represents collateral which is held to mitigate risk in the mortgage portfolio and the value disclosed relates to properties over which the Bank has legal charge.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

'Guarantees received' in the above table includes assignment of inwards letters of credit of US\$1,959,959 (2024: US\$ 1,569,192) and standby letters of credit of US\$ Nil (2024: US\$ 250,000).

During the current year, there were no prior claims by other creditors or regulatory constraints that limited the Bank's ability to enforce security rights (2024: None).

During 2025, the Bank reviewed the composition of collateral disclosed for credit risk mitigation purposes. Following this review, "Risk Participation Agreements" have been excluded from the collateral pool, as these arrangements transfer or redistribute credit risk contractually but do not constitute recoverable security that would reduce loss given default.

Accordingly, the comparative collateral disclosures have been updated to align with the current year presentation. This change relates solely to disclosure classification and has no effect on amounts recognised in the primary financial statements. As a result, no restatement has been required. The amendment has no impact on the Bank's credit risk profile or on total operating, investing, or financing cash flows for the years ended 2025 and 2024.

	As previously reported	Impact of correction	
		Adjustment	As restated
Collateral analysis US\$			
Cash	160,171,854	–	160,171,854
Property and equipment	18,789,167	–	18,789,167
Guarantees received	60,036,209	–	60,036,209
All assets debenture	39,805,548	–	39,805,548
First charge / lien mortgage	28,604,983	–	28,604,983
Fixed and/or floating charge over assets	99,601,126	–	99,601,126
Risk Participation Agreements	44,494,280	(44,494,280)	–
Negative pledge of the borrowers	10,477,935	–	10,477,935
Assignment of sales contracts	15,786,449	–	15,786,449
Irrevocable domiciliation of proceeds	4,629,143	–	4,629,143
Debt securities	–	–	–
Other collateral	–	89,009	89,009
Total	482,396,694	(44,405,271)	437,991,423

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

Country risk

The Bank has established procedures to manage country risk with limits determined by business strategy and in accordance with internal Credit Policy. The Bank takes limited direct sovereign risk.

The country risk is the carrying amount of the Bank's exposure to entities domiciled with said jurisdictions.

The table below summarises exposure to credit risk as at statement of financial position date by geographical area:

	Europe US\$	United Kingdom US\$	Nigeria US\$	Rest of Africa US\$	United States of America US\$	Rest Of World US\$	Total US\$
2025							
Assets							
Cash and cash equivalents	11,718,328	338,509,157	335,357	368,443	75,838,578	1,310,715	428,080,578
Securities measured at fair value through profit or loss	–	–	858,941	–	–	–	858,941
Securities measured at fair value through other comprehensive income	187,754,234	222,600,151	4,339,890	36,294,556	652,375,423	346,761,994	1,450,126,248
Securities measured at amortised cost	–	54,256,135	80,888,962	76,597,555	3,568,670	33,593,690	248,905,012
Loans and advances to banks	–	2,631,794	87,590,781	72,069,608	–	33,363,602	195,655,785
Loans and advances to customers	62,566,098	136,136,939	55,574,064	220,230,345	18,885,567	153,768,403	647,161,416
Derivative financial assets	–	2,283,351	–	–	–	–	2,283,351
Total assets	262,038,660	756,417,527	229,587,995	405,560,507	750,668,238	568,798,404	2,973,071,331
	Europe US\$	United Kingdom US\$	Nigeria US\$	Rest of Africa US\$	United States of America US\$	Rest Of World US\$	Total US\$
2024							
Assets							
Cash and cash equivalents	11,447,471	401,289,428	286,820	777,873	28,883,633	37,548,115	480,233,340
Securities measured at fair value through profit or loss	–	–	620,107	1,076,691	2,598,270	–	4,295,068
Securities measured at fair value through other comprehensive income	72,743,107	169,159,860	4,451,552	38,205,249	732,901,835	355,563,033	1,373,024,636
Securities measured at amortised cost	–	33,468,989	77,848,676	74,107,509	4,250,402	23,860,744	213,536,320
Loans and advances to banks	–	–	10,212,408	61,935,142	–	40,496,120	112,643,670
Loans and advances to customers	–	43,228,532	50,519,521	191,391,595	10,967,897	147,495,710	443,603,255
Derivative financial assets	–	1,517,779	–	–	–	–	1,517,779
Total assets	84,190,578	648,664,588	143,939,084	367,494,059	779,602,037	604,963,722	2,628,854,068

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

An analysis of the credit quality of the maximum credit exposure (gross and net of ECL allowance) based on an external credit rating agency where applicable. These groupings are consistent with the CQS prescribed by the Regulator.

	Gross exposures 2025 US\$	ECL allowance 2025 US\$	Net exposures 2025 US\$	Gross exposures 2024 US\$	ECL allowance 2024 US\$	Net exposures 2024 US\$
Cash and cash equivalents						
Rated AAA to AA-	8,576,024	–	8,576,024	40,111,399	–	40,111,399
Rated A+ to A-	408,119,188	–	408,119,188	348,125,312	–	348,125,312
Rated BBB+ to BBB-	–	–	–	468,877	–	468,877
Rated BB+ to BB-	361,950	–	361,950	91,209,117	–	91,209,117
Rated B+ to B-	11,023,416	–	11,023,416	318,635	–	318,635
Total	428,080,578	–	428,080,578	480,233,340	–	480,233,340
Securities designated at fair value through profit or loss						
Rated BBB+ to BBB-	–	–	–	2,598,270	–	2,598,270
Rated B+ to B-	858,941	–	858,941	1,696,798	–	1,696,798
Total	858,941	–	858,941	4,295,068	–	4,295,068
Securities designated at fair value through other comprehensive income						
Rated AAA to AA-	1,049,492,421	–	1,049,492,421	1,125,572,478	–	1,125,572,478
Rated A+ to A-	188,322,660	–	188,322,660	69,661,637	–	69,661,637
Rated BBB+ to BBB-	133,942,672	–	133,942,672	106,288,052	–	106,288,052
Rated BB+ to BB-	53,875,412	–	53,875,412	49,763,798	–	49,763,798
Rated B+ to B-	15,886,534	–	15,886,534	20,506,144	–	20,506,144
Rated CCC+ and below	8,606,549	–	8,606,549	1,232,527	–	1,232,527
Total	1,450,126,248	–	1,450,126,248	1,373,024,636	–	1,373,024,636
Securities measured at amortised cost						
Rated BBB+ to BBB-	5,650,780	(1,858)	5,648,922	9,921,987	(5,551)	9,916,436
Rated BB+ to BB-	75,137,574	(125,831)	75,011,743	49,936,117	(131,890)	49,804,227
Rated B+ to B-	159,188,942	(3,190,777)	155,998,165	146,116,327	(2,310,216)	143,806,111
Rated CCC+ and below	12,768,160	(521,978)	12,246,182	15,981,349	(5,971,803)	10,009,546
Total	252,745,456	(3,840,444)	248,905,012	221,955,780	(8,419,460)	213,536,320
Loans and advances to banks						
Rated BBB+ to BBB-	–	–	–	25,464,669	(7,607)	25,457,062
Rated BB+ to BB-	33,410,425	(46,823)	33,363,602	–	–	–
Rated B+ to B-	163,521,344	(1,229,161)	162,292,183	87,943,678	(757,070)	87,186,608
Total	196,931,769	(1,275,984)	195,655,785	113,408,347	(764,677)	112,643,670

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

In 2025, there were US\$ Nil loans to Banks with maturity greater than 90 days (2024: US\$ Nil).

	Gross exposures 2025 US\$	ECL allowance 2025 US\$	Net exposures 2025 US\$	Gross exposures 2024 US\$	ECL allowance 2024 US\$	Net exposures 2024 US\$
Loans and advances to customers						
Rated AAA to AA-	49,517	(2)	49,515	90,784	(10)	90,774
Rated BB+ to BB-	174,506,557	(79,102)	174,427,455	155,863,361	(124,103)	155,739,258
Rated B+ to B-	440,423,837	(4,021,560)	436,402,277	284,530,300	(2,747,625)	281,782,675
Rated CCC+ and below	36,937,158	(654,989)	36,282,169	6,424,761	(434,213)	5,990,548
Total	651,917,069	(4,755,653)	647,161,416	446,909,206	(3,305,951)	443,603,255
Loan commitments						
Rated B+ to B-	29,000,000	(540,476)	28,459,524	15,000,000	(320,003)	14,679,997
Total	29,000,000	(540,476)	28,459,524	15,000,000	(320,003)	14,679,997

As at 31 December 2025, the Bank has two loan commitments (2024: one loan commitment).

An analysis of credit risk exposures and significant credit risk concentrations by credit risk grades is as follows:

2025 US\$	Stage 1	Gross exposures Stage 2	Stage 3	Total	Stage 1	ECL allowance Stage 2	Stage 3	Total
Securities designated at fair value through other comprehensive income								
Rated AAA to AA-	1,049,492,421	–	–	1,049,492,421	(9,641)	–	–	(9,641)
Rated A+ to A-	188,322,660	–	–	188,322,660	(17,779)	–	–	(17,779)
Rated BBB+ to BBB-	133,942,672	–	–	133,942,672	(37,636)	–	–	(37,636)
Rated BB+ to BB-	53,875,412	–	–	53,875,412	(84,884)	–	–	(84,884)
Rated B+ to B-	14,805,992	1,080,542	–	15,886,534	(132,158)	(128,681)	–	(260,839)
Rated CCC+ and below	–	8,606,549	–	8,606,549	–	(292,567)	–	(292,567)
Total	1,440,439,157	9,687,091	–	1,450,126,248	(282,098)	(421,248)	–	(703,346)

2025 US\$	Stage 1	Gross exposures Stage 2	Stage 3	Total	Stage 1	ECL allowance Stage 2	Stage 3	Total
Securities measured at amortised cost								
Rated BBB+ to BBB-	5,650,780	–	–	5,650,780	(1,858)	–	–	(1,858)
Rated BB+ to BB-	75,137,574	–	–	75,137,574	(125,831)	–	–	(125,831)
Rated B+ to B-	147,047,282	12,141,660	–	159,188,942	(2,139,146)	(1,051,631)	–	(3,190,777)
Rated CCC+ and below	–	12,768,160	–	12,768,160	–	(521,978)	–	(521,978)
Total	227,835,636	24,909,820	–	252,745,456	(2,266,835)	(1,573,609)	–	(3,840,444)

2025 US\$	Stage 1	Gross exposures Stage 2	Stage 3	Total	Stage 1	ECL allowance Stage 2	Stage 3	Total
Loans and advances to banks								
Rated BB+ to BB-	33,410,425	–	–	33,410,425	(46,823)	–	–	(46,823)
Rated B+ to B-	163,521,344	–	–	163,521,344	(1,229,161)	–	–	(1,229,161)
Total	196,931,769	–	–	196,931,769	(1,275,984)	–	–	(1,275,984)

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

2025 US\$	Stage 1	Gross exposures Stage 2	Stage 3	Total	Stage 1	ECL allowance Stage 2	Stage 3	Total
Loans and advances to customers								
Rated AAA to AA-	49,517	–	–	49,517	(2)	–	–	(2)
Rated BB+ to BB-	174,506,557	–	–	174,506,557	(79,102)	–	–	(79,102)
Rated B+ to B-	439,304,221	1,119,616	–	440,423,837	(4,020,057)	(1,503)	–	(4,021,560)
Rated CCC+ and below	–	36,937,158	–	36,937,158	–	(654,989)	–	(654,989)
Total	613,860,295	38,056,774	–	651,917,069	(4,099,161)	(656,492)	–	(4,755,653)

2024 US\$	Stage 1	Gross exposures Stage 2	Stage 3	Total	Stage 1	ECL allowance Stage 2	Stage 3	Total
Securities designated at fair value through other comprehensive income								
Rated AAA to AA-	1,125,572,478	–	–	1,125,572,478	(12,342)	–	–	(12,342)
Rated A+ to A-	65,523,128	4,138,509	–	69,661,637	(17,229)	(755)	–	(17,984)
Rated BBB+ to BBB-	94,783,022	11,505,030	–	106,288,052	(47,144)	(12,702)	–	(59,846)
Rated BB+ to BB-	46,665,186	3,098,612	–	49,763,798	(129,846)	(4,835)	–	(134,681)
Rated B+ to B-	16,027,039	4,479,105	–	20,506,144	(186,139)	(25,655)	–	(211,794)
Rated CCC+ and below	–	1,232,527	–	1,232,527	–	(596,601)	–	(596,601)
Total	1,348,570,853	24,453,783	–	1,373,024,636	(392,700)	(640,548)	–	(1,033,248)

2024 US\$	Stage 1	Gross exposures Stage 2	Stage 3	Total	Stage 1	ECL allowance Stage 2	Stage 3	Total
Securities measured at amortised cost								
Rated BBB+ to BBB-	9,921,987	–	–	9,921,987	(5,551)	–	–	(5,551)
Rated BB+ to BB-	49,936,117	–	–	49,936,117	(131,890)	–	–	(131,890)
Rated B+ to B-	132,145,506	13,970,821	–	146,116,327	(2,053,444)	(256,772)	–	(2,310,216)
Rated CCC+ and below	–	12,981,349	3,000,000	15,981,349	–	(4,621,803)	(1,350,000)	(5,971,803)
Total	192,003,610	26,952,170	3,000,000	221,955,780	(2,190,885)	(4,878,575)	(1,350,000)	(8,419,460)

2024 US\$	Stage 1	Gross exposures Stage 2	Stage 3	Total	Stage 1	ECL allowance Stage 2	Stage 3	Total
Loans and advances to banks								
Rated BBB+ to BBB-	25,464,669	–	–	25,464,669	(7,607)	–	–	(7,607)
Rated B+ to B-	87,943,678	–	–	87,943,678	(757,070)	–	–	(757,070)
Total	113,408,347	–	–	113,408,347	(764,677)	–	–	(764,677)

2024 US\$	Stage 1	Gross exposures Stage 2	Stage 3	Total	Stage 1	ECL allowance Stage 2	Stage 3	Total
Loans and advances to customers								
Rated AAA to AA-	90,784	–	–	90,784	(10)	–	–	(10)
Rated BB+ to BB-	155,863,361	–	–	155,863,361	(124,103)	–	–	(124,103)
Rated B+ to B-	284,530,300	–	–	284,530,300	(2,747,625)	–	–	(2,747,625)
Rated CCC+ and below	11	6,424,750	–	6,424,761	–	(434,213)	–	(434,213)
Total	440,484,456	6,424,750	–	446,909,206	(2,871,738)	(434,213)	–	(3,305,951)

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

Expected credit loss allowance

The following table shows reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument:

	2025	2025	2024	2024
	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL
	US\$	not credit-impaired	US\$	not credit-impaired
Loans and advances to banks		US\$		US\$
Balance as at 1 January	764,677	–	923,419	–
Net measurement of loss allowance	(128,864)	–	(768,888)	–
New financial assets originated or purchased	1,250,904	–	1,176,510	–
Financial assets that have been derecognised	(545,269)	–	(123,468)	–
Due to changes in methodology and risk parameters	(65,464)	–	(442,896)	–
Balance as at 31 December	1,275,984	–	764,677	–

	2025	2025	2024	2024
	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL
	US\$	not credit-impaired	US\$	not credit-impaired
Loans and advances to customers		US\$		US\$
Balance as at 1 January	2,871,738	434,213	5,808,582	381,521
Net measurement of loss allowance	(723,966)	579,716	(2,267,808)	(610)
New financial assets originated or purchased	2,631,688	24,090	4,624,269	1,163,812
Financial assets that have been derecognised	(803,263)	–	(1,891,774)	(334,124)
Due to changes in methodology and risk parameters	122,964	(381,527)	(3,401,531)	(776,386)
Balance as at 31 December	4,099,161	656,492	2,871,738	434,213

	2025	2025	2025	2024	2024	2024
	12-month ECL	Lifetime ECL	Lifetime ECL	12-month ECL	Lifetime ECL	Lifetime ECL
	US\$	not credit-impaired	credit-impaired	US\$	not credit-impaired	credit-impaired
Securities measured at fair value through other comprehensive income		US\$	US\$		US\$	US\$
Balance as at 1 January	392,700	640,548	–	686,434	125,650	681,359
Net measurement of loss allowance	(40,224)	(36,484)	–	81,734	(41,992)	–
New financial assets originated or purchased	210,187	–	–	185,977	302,592	–
Financial assets that have been derecognised	(162,826)	(111,315)	–	(196,229)	(2,346)	(681,359)
Due to changes in methodology and risk parameters	(117,739)	(71,501)	–	(365,216)	256,644	–
Balance as at 31 December	282,098	421,248	–	392,700	640,548	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

Expected credit loss reversals on Securities measured at fair value through other comprehensive income

	2025 US\$	2024 US\$	Movement US\$
12-month ECL	282,098	392,700	(110,602)
Lifetime ECL not credit-impaired	421,248	640,548	(219,300)
Lifetime ECL credit-impaired	–	–	–
Balance as at 31 December	703,346	1,033,248	(329,902)

	2025 12-month ECL US\$	2025 Lifetime ECL not credit- impaired US\$	2025 Lifetime ECL credit- impaired US\$	2024 12-month ECL US\$	2024 Lifetime ECL not credit- impaired US\$	2024 Lifetime ECL credit- impaired US\$
Securities measured at amortised cost						
Balance as at 1 January	2,190,885	4,878,575	1,350,000	3,589,490	1,119,167	9,058,265
Net measurement of loss allowance	81,369	(2,725,563)	(1,350,000)	715,439	(38,193)	–
New financial assets originated or purchased	1,149,044	84,799	–	963,366	3,047,309	–
Financial assets that have been derecognised	(1,206,093)	(540,813)	–	(571,464)	(871,997)	(7,708,265)
Due to changes in methodology and risk parameters	51,630	(123,389)	–	(2,505,946)	1,622,289	–
Balance as at 31 December	2,266,835	1,573,609	–	2,190,885	4,878,575	1,350,000

	2025 12-month ECL US\$	2025 Lifetime ECL not credit- impaired US\$	2024 12-month ECL US\$	2024 Lifetime ECL not credit- impaired US\$
Impairment allowance on committed but undrawn facilities				
Balance as at 1 January	625,420	–	–	–
Net measurement of loss allowance	–	–	625,420	–
New financial commitments	509,561	–	–	–
Financial assets that have been derecognised	(527,257)	–	–	–
Due to changes in methodology and risk parameters	96,106	–	–	–
Balance as at 31 December	703,830	–	625,420	–

'Impairment on off- balance sheet assets' represents ECL allowance on undrawn committed Corporate facilities, which are expected to be drawn within the next twelve months.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

The table below represents year-on-year movements in Gross exposures and changes to Impairment:

	Stage 1 US\$	Gross exposures Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Impairment Stage 2 US\$	Stage 3 US\$	Total US\$
31 December 2025								
Balance as at beginning of the year	2,120,487,171	57,924,415	3,000,000	2,181,411,586	6,845,420	5,953,336	1,350,000	14,148,756
Reassessment of ECL allowance on exposures brought forward from prior year	90,996,919	(11,682,363)	–	79,314,556	(479,302)	(2,514,714)	–	(2,994,016)
Assets originated or purchased during the year	1,739,950,415	15,056,044	–	1,755,006,459	5,751,384	108,889	–	5,860,273
Assets de-recognised during the year (including assets that matured)	(1,401,407,261)	(33,491,181)	(3,000,000)	(1,437,898,442)	(3,244,708)	(652,128)	(1,350,000)	(5,246,836)
Write-offs	–	–	–	–	–	–	–	–
Attributable to changes in risk parameters	–	–	–	–	87,497	(576,417)	–	(488,920)
Transfer to (from):								
Stage 1	–	–	–	–	–	–	–	–
Stage 2	(52,893,502)	52,893,502	–	–	(343,598)	343,598	–	–
Stage 3	8,046,732	(8,046,732)	–	–	11,215	(11,215)	–	–
Committed but undrawn facilities	50,883,576	–	–	58,833,576	–	–	–	–
Balance as at end of year, including committed but undrawn facilities	2,529,950,433	72,653,685	–	2,602,604,118	8,627,908	2,651,349	–	11,279,257
Less: Allowance for credit losses on committed but undrawn facilities	–	–	–	–	(703,830)	–	–	(703,830)
Balance as at end of the year	2,529,950,433	72,653,685	–	2,602,604,118	7,924,078	2,651,349	–	10,575,427

	Stage 1 US\$	Gross exposures Stage 2 US\$	Stage 3 US\$	Total US\$	Stage 1 US\$	Impairment Stage 2 US\$	Stage 3 US\$	Total US\$
31 December 2024								
Balance as at beginning of the year	2,317,525,663	49,398,447	21,643,611	2,388,567,721	11,007,925	1,626,338	9,739,624	22,373,887
Reassessment of ECL allowance on exposures brought forward from prior year	33,712,602	(5,438,776)	(27,123)	28,246,703	(2,357,157)	36,839	(12,205)	(2,332,523)
Assets originated or purchased during the year	1,299,014,767	34,772,537	–	1,333,787,304	7,575,542	4,513,713	–	12,089,255
Assets de-recognised during the year (including assets that matured)	(1,548,439,561)	(28,247,710)	(18,616,488)	(1,595,303,759)	(2,782,935)	(1,208,467)	(8,377,419)	(12,368,821)
Write-offs	–	–	–	–	–	–	–	–
Attributable to changes in risk parameters	–	–	–	–	(6,715,589)	1,102,547	–	(5,613,042)
Transfer to (from):								
Stage 1	1,751,194	(1,751,194)	–	–	393,317	(393,317)	–	–
Stage 2	(9,191,111)	9,191,111	–	–	(275,683)	275,683	–	–
Stage 3	–	–	–	–	–	–	–	–
Committed but undrawn facilities	26,113,617	–	–	26,113,617	–	–	–	–
Balance as at end of year, including committed but undrawn facilities	2,120,487,171	57,924,415	3,000,000	2,181,411,586	6,845,420	5,953,336	1,350,000	14,148,756
Less: Allowance for credit losses on committed but undrawn facilities	–	–	–	–	(625,420)	–	–	(625,420)
Balance as at end of the year	2,120,487,171	57,924,415	3,000,000	2,181,411,586	6,220,000	5,953,336	1,350,000	13,523,336

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

Liquidity Risk

Liquidity Risk Management

Liquidity risk refers to how a bank's inability to meet its obligations as they fall due threatens its financial position or existence.

Liquidity management is conducted in accordance with the guidance issued by the PRA, primarily through the use of Liquidity Coverage Ratio ("LCR") and Cash flow Mismatch Report ("PRA110"). The Net Stable Funding ratio ("NSFR") whose regulation came into effect in January 2022 is used to monitor the stability of funding sources employed by the Bank in creating assets.

The on-going management of liquidity is aimed at balancing cash flows within forward rolling time bands so that, under normal conditions, the Bank can meet all its payment obligations as and when they fall due. The Bank has developed an Internal Liquidity Adequacy Assessment Process ("ILAAP"), as required by the PRA, to support its liquidity management process as well as to consider the liquidity positions under plausible stress scenarios. The results of ILAAP are reviewed by Senior Management and the Board at least annually. The ILAAP documentation is refreshed annually.

Senior Management is responsible for ensuring that the Bank can meet its obligations when they fall due. The Bank is required to satisfy itself and the PRA on an on-going basis that it has a prudent liquidity policy and adequate management systems in place to ensure that the policy is always adhered to.

The Board of Directors is ultimately responsible for ensuring that the liquidity policy remains relevant and consistent with the Bank's business activities and expressed risk tolerances.

The Bank's ALCO is responsible for reviewing the policy and recommending it to the Board of Directors. ALCO is supported by Risk Management, which is responsible for overseeing the Bank's compliance with the policy on a daily basis.

The responsibility for day-to-day management of the Bank's liquidity position is delegated to the Bank's Treasurer through the funding desk in the Treasury Department.

The undiscounted contractual cashflow maturity analysis of assets and liabilities is presented in the table below:

	On demand US\$	Less than 3 months US\$	Between 3 & 12 months US\$	1 to 5 Years US\$	Greater than 5 years US\$	Carrying amount US\$
2025						
Assets						
Cash and cash equivalents	98,173,334	330,000,533	–	–	–	428,173,867
Securities measured at fair value through profit or loss	–	40,079	98,634	–	737,039	875,752
Securities measured at fair value through other comprehensive income	–	720,424,955	261,932,196	470,607,379	6,197,980	1,459,162,510
Securities measured at amortised cost	–	2,934,215	69,492,339	209,742,212	23,776,097	305,944,863
Loans and advances to banks	–	68,112,706	98,518,591	40,989,781	–	207,621,078
Loans and advances to customers	12,248,535	186,961,388	172,872,861	289,378,555	87,205,491	748,666,830
Derivative financial assets	–	–	2,283,351	–	–	2,283,351
Total assets	110,421,869	1,308,473,876	605,197,972	1,010,717,927	117,916,607	3,152,728,251
Liabilities						
Deposits from banks	1,092,510,768	201,134,515	170,627,583	6,328,645	–	1,470,601,511
Deposits from customers	225,042,218	391,805,846	210,315,751	250,208,588	–	1,077,372,403
Repurchase agreements and other similar secured borrowing	–	4,574,870	10,123,070	–	–	14,697,940
Derivative financial liabilities	–	–	398,654	–	–	398,654
Total Liabilities	1,317,552,986	597,515,231	391,465,058	256,537,233	–	2,563,070,508

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

The amount reflected under “On demand” for Loans and advances to banks represents overdrafts.

The Bank manages “On demand” liquidity risk mismatch by maintaining a portfolio of liquid assets, managing funding and liquidity requirements, and monitoring liquidity risk exposures. Specifically, by:

- Maintaining a liquidity buffer comprising high-quality liquid assets, such as cash and highly liquid government securities.
- Using cash flow forecasting and stress testing to identify potential liquidity shortfalls and to develop contingency plans.
- Monitoring its liquidity risk exposures, including its net stable funding ratio, liquidity coverage ratio, and high-quality liquid asset holdings.
- Establishing a funding diversification strategy to reduce its reliance on any single funding source.

The Bank’s liquidity risk management framework is reviewed and updated regularly to ensure it remains effective in managing liquidity risk.

	On demand US\$	Less than 3 months US\$	Between 3 & 12 months US\$	1 to 5 Years US\$	Greater than 5 years US\$	Carrying amount US\$
2024						
Assets						
Cash and cash equivalents	59,765,796	420,934,200	–	–	–	480,699,996
Securities measured at fair value through profit or loss	–	2,556,804	240,815	656,474	880,797	4,334,890
Securities measured at fair value through other comprehensive income	–	416,006,523	427,957,163	527,086,430	8,840,298	1,379,890,414
Securities measured at amortised cost	192,367	1,937,971	35,071,336	197,539,863	29,061,378	263,802,915
Loans and advances to banks	–	34,825,903	71,631,206	11,159,187	–	117,616,296
Loans and advances to customers	7,415,365	113,780,581	122,916,005	255,364,029	16,340,116	515,816,096
Derivative financial assets	–	–	1,517,779	–	–	1,517,779
Total assets	67,373,528	990,041,982	659,334,304	991,805,983	55,122,589	2,763,678,386
Liabilities						
Deposits from banks	930,753,032	217,356,186	140,384,415	47,199	–	1,288,540,832
Deposits from customers	153,147,751	362,580,421	223,184,407	151,289,721	–	890,202,300
Repurchase agreements and other similar secured borrowing	–	75,602,040	–	14,697,940	–	90,299,980
Derivative financial liabilities	–	–	3,094,465	–	–	3,094,465
Total Liabilities	1,083,900,783	655,538,647	366,663,287	166,034,860	–	2,272,137,577

Cash and cash equivalents include petty cash. Deposits from banks classified as ‘On demand’ include a call deposit held on behalf of the Central Bank of Nigeria (“CBN”). The use of these funds is limited to overnight, short-term Money Market placements and investments in high quality liquid assets. Deposits from banks include placements from the Group, short term deposits from the Central Bank of Nigeria and other banks.

Based on the table above, no material cash outflows are expected beyond the amounts presented, nor are any significant deviations anticipated.

The maturity analysis of outstanding lease liabilities under IFRS 16 is presented in the table below:

	2025 US\$	2024 US\$
31 December		
Less than 3 months	237,890	214,395
Between 3 and 12 months	722,889	650,873
1-5 years	7,537,153	7,954,652
Lease liability	8,497,932	8,819,920

As explained under Note 21 above, the Bank renewed its lease for another ten years. The lease is due to expire in January 2034.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

Market risk

Market risk management

Market risk is the risk of losses on financial investments from changes in market prices, rates, the correlations among them, and their volatility.

The Bank's trading activities are accounted for on a mark-to-market basis; and financial assets, financial liabilities and derivatives which form a part of such activities are accounted for at fair value through the profit and loss account.

The Bank's trading activities are limited to transactions in financial instruments, which mainly comprise trading in debt securities and foreign exchange contracts. Market risk is primarily related to currencies and interest rates. Exposure to those markets together with a description of the risk management policies governing both banking and trading activities is set out below. Market risk exposures are measured and monitored daily and are formally reviewed on a weekly basis by the Bank's Asset and Liability Committee.

Exchange rate risk

The Bank originates loans and takes deposits in multiple currencies. Payments made on behalf of customers in one currency may be settled from balances held in another currency. Further, the Bank is active in the international foreign exchange markets both for its own account trading and for the management of the Bank assets and liabilities.

The Bank manages its exposures to foreign exchange risk by way of limits on the size of permitted positions, both intra-day and overnight. Overnight positions are protected by stop-loss orders placed with reputable correspondent banks. The size of the position limits is aimed at being consistent with the amount of profit that the Bank is prepared to place at risk.

Foreign exchange exposure arises from normal banking activities, particularly from the receipt of deposits and the placement of funds denominated in foreign currencies. It is the policy of the Bank to match currencies of its assets and liabilities as much as practicable. It is also the policy of the Bank to adhere to the limits laid down by the Board in respect of the "overall net open position." The tables overleaf give details of the Bank's net foreign currency exposures as at 31 December 2025 as a basis of disclosing the Bank's foreign currency sensitivity analysis.

	Sterling Pounds US\$	Euro US\$	Other US\$	Total US\$
2025				
Assets	422,783,357	365,716,542	3,970,888	792,470,787
Liabilities	(597,365,160)	(244,582,218)	(11,660,800)	(853,608,178)
Derivatives receivables (notional)	199,482,228	11,723,500	8,248,504	219,454,232
Derivatives payables (notional)	(12,147,516)	(108,137,006)	(277,778)	(120,562,300)
Net open position	12,752,909	24,720,818	280,814	37,754,541
	Sterling Pounds US\$	Euro US\$	Other US\$	Total US\$
2024				
Assets	339,546,462	236,217,833	5,902,180	581,666,475
Liabilities	(468,972,626)	(112,543,657)	(6,896,097)	(588,412,380)
Derivatives receivables (notional)	152,353,938	12,981,875	386,892	165,722,705
Derivatives payables (notional)	(13,027,963)	(140,427,538)	–	(153,455,501)
Net open position	9,899,811	(3,771,487)	(607,025)	5,521,299

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

Foreign currency sensitivity

Foreign currency sensitivity analysis has been performed on the foreign currency exposures inherent in the Bank's financial assets and financial liabilities at the reporting dates presented, net of FX derivatives.

The sensitivity analysis shown provides an indication of the impact on the Bank's profit or loss following reasonable potential changes in currency exposures. Reasonable changes are based on an analysis of historical currency volatility, together with our assumptions regarding near term future volatility.

The Bank believes that for each foreign currency net exposure it is reasonable to present a 5% appreciation / depreciation against the Bank's functional currency to demonstrate the exchange risk the bank is exposed to. If all other variables are held constant the tables below present the impact on the Bank's profit or loss if these currency movements had occurred.

	Sterling Pounds US\$	Euro US\$	Other US\$
2025			
Net foreign Currency Exposure	12,752,909	24,720,818	280,814
Impact of 5% appreciation against US\$	637,645	1,236,041	14,041
Impact of 5% depreciation against US\$	(637,645)	(1,236,041)	(14,041)
	Sterling Pounds US\$	Euro US\$	Other US\$
2024			
Net foreign Currency Exposure	9,899,811	(3,771,487)	(607,025)
Impact of 5% appreciation against US\$	494,991	(188,574)	(30,351)
Impact of 5% depreciation against US\$	(494,991)	188,574	30,351

Interest rate risk

Interest rate risk is the risk that arises due to the potential for investment losses resulting from a change in interest rates, and how that might impact on pricing structures within the Bank's assets and liabilities.

The Bank's Asset and Liability Committee ("ALCO"), assisted by Risk Management, meets weekly to monitor changes in interest rates in various currencies across the forward yield curve and the potential impact on the repricing of assets, liabilities, and derivative instruments.

The Bank manages part of that risk by match-funding certain deposits to loans. A 2% increase/(decrease) in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and has been applied to risk exposures existing at that date.

	Less than 3 months US\$	Between 3 & 12 months US\$	1 to 5 Years US\$	Greater than 5 years US\$	Total US\$
2025					
Gap sensitivity					
Assets	2,009,953,244	623,412,066	472,970,125	70,091,520	3,176,426,955
Liabilities	(1,585,101,225)	(442,253,778)	(502,364,353)	(646,707,599)	(3,176,426,955)
Net gap	424,852,019	181,158,288	(29,394,228)	(576,616,079)	–
Profit or Loss Impact (Increase)	(1,008,788)	(1,300,021)	(921,238)	(1,840,042)	(5,070,089)
Profit or Loss Impact (Decrease)	1,030,920	1,335,339	1,097,103	2,147,015	5,610,377

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

	Less than 3 months US\$	Between 3 & 12 months US\$	1 to 5 Years US\$	Greater than 5 years US\$	Total US\$
2024					
Gap sensitivity					
Assets	1,579,316,778	735,080,312	507,174,602	66,216,240	2,887,787,932
Liabilities	(1,297,125,662)	(487,228,175)	(459,251,487)	(644,182,608)	(2,887,787,932)
Net gap	22,858,393	485,350,219	129,056,918	(637,265,530)	–
Profit or Loss Impact (Increase)	(665,043)	(1,671,820)	(645,726)	(2,210,104)	(5,192,693)
Profit or Loss Impact (Decrease)	679,534	1,715,584	620,857	2,612,821	5,628,796

The year-on-year movement is primarily due to the origination of assets with longer maturities and a change in the funding mix compared to prior year.

Capital management

Capital is defined as the total of share capital, share premium, retained earnings and other reserves. Total statutory capital as at 31 December 2025 is US\$ 435.8 million (2024: US\$ 382.2 million).

Regulatory capital is determined in accordance with the requirements stipulated by the FCA and the PRA. Capital adequacy and the use of regulatory capital are monitored by the Bank's ALCO in accordance with the guidelines developed by the Basel Committee implemented by the FCA and the PRA. Each bank is required to maintain a ratio of total regulatory capital to risk-weighted exposures at or above a level determined for each institution.

The Bank's total regulatory capital qualifies as Tier 1 capital, which is the total of the issued share capital, retained earnings and regulatory adjustments.

	2025 US\$	2024 US\$
Capital Resources		
Share capital	136,701,620	136,701,620
Reserves (fair value through other comprehensive income)	1,500,226	(598,009)
Reserves (foreign currency translation)	3,091,802	–
Retained earnings	294,537,429	246,049,685
Total statutory capital	435,831,077	382,153,296
Regulatory adjustments (unaudited)		
Value adjustments due to the requirements for prudential valuation	(1,453,667)	(1,381,932)
Other intangible assets before deduction of deferred tax liabilities	(3,001,518)	(2,446,032)
Total regulatory capital (CET1)	431,375,892	378,325,332

CET1 represents Common Equity Tier 1 capital.

Included in Retained earnings is Profit for the year of US\$ 48,487,744 (2024: US\$ 42,223,349).

Capital planning is integrated into Zenith UK's annual budgeting process. Regular returns are submitted to the PRA which include a two-year rolling forecast view.

Going concern capital requirements are examined on a forward-looking basis. The capital adequacy ratio and capital requirements are assessed under plausible future scenarios based on the following:

1. Forecast of future business performance, given the expectations of economic and market conditions over the period.
2. Forecast of future business performance under adverse economic and market conditions over the period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

37 Financial risk management (continued)

Review of capital requirements under the above conditions enable Zenith UK to determine whether its capital will be sufficient to meet internal and regulatory requirements. Stress testing techniques are adopted to assess capital levels under adverse economic and market conditions.

Zenith UK allocates capital across its strategic business units, considering the applicable regulatory requirements, strategic and business objectives, risk appetite and the need to ensure optimal capital usage. The Bank's Assets and Liabilities Committee (ALCO) approves the capital allocation framework.

During the year, the Bank complied with all capital requirements prescribed by the PRA.

38 Share Capital and Reserves

	2025 US\$	2024 US\$
38a Share Capital: Allocated, Called up and Fully paid		
Authorised Share Capital	136,701,620	136,701,620
Issued Share Capital:		
35,001,000 ordinary shares of GB£ 1 each	56,701,620	56,701,620
- Redenominated into 56,701,620 shares of US\$1 each		
30,000,000 ordinary shares of US\$1 each	30,000,000	30,000,000
50,000,000 ordinary shares of US\$1 each	50,000,000	50,000,000
	136,701,620	136,701,620

As a part of the translation of the functional currency from GBP to USD in 2017, the 35,001,000 British Pound shares were redenominated into 56,701,620 US\$ currency.

In May 2012, thirty million new ordinary shares of \$1 each were issued and fully subscribed to by the Parent entity, followed by fifty million new ordinary shares of \$1 each were issued and fully subscribed to by the Parent entity in September 2014.

As at 31 December 2025 and 2024, the issued share capital comprises 136,701,620 ordinary shares with a par value of \$1 each.

The rights attached to the ordinary shares of the Bank include the right to receive dividends, vote at general meetings, and attend general meetings. The Bank's ordinary shareholder is also entitled to receive the residual value of the Bank's assets in the event of winding-up, after payment of all debts and liabilities.

Additionally, the shareholder is entitled to receive notices and reports from the Bank and to inspect certain its records.

The Bank has only one shareholder and all ordinary shares are ranked Pari passu.

38b Nature and purpose of reserves

Reserves (fair value through other comprehensive income)

The fair value reserve comprises the cumulative net change in the fair value of debt securities measured at FVOCI, adjusted for loss allowances, until the assets are derecognised or reclassified. Upon disposal or maturity of these debt instruments, the accumulated gains or losses recognised in OCI are reclassified to profit or loss.

Reserves (foreign currency translation)

The translation reserve comprises the cumulative foreign currency exchange differences arising from translating the financial statements of the Bank's Paris Branch into the presentation currency. These translation differences are recognised in other comprehensive income and accumulated in equity. Upon disposal or loss of control of the foreign operation, the related balance in the reserve is reclassified to profit or loss, while partial disposals result in a proportionate transfer within equity.

Retained earnings

The retained earnings represent the cumulative net Profit After Tax of the Bank since inception, after accounting for all dividends declared and other appropriations.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

39 Related party transactions

Transactions with Key Management Personnel:

Key Management Personnel ("KMP") are considered to be the Bank's Directors and individuals who hold Senior Management Functions ("SMF") within the Bank. Disclosures regarding Directors' emoluments and other transactions are provided under Note 11.

The KMPs' remuneration during the year is as follows:

	2025 US\$	2024 US\$
Short-term employee benefits	2,847,832	2,551,414
Post-employment benefits	267,299	362,689
Other long-term benefits	792,187	735,705
Total	3,907,318	3,649,808

Post-employment benefits represent the Bank's contribution to the defined pension contribution plan for KMP.

The total outstanding transactions with KMP are US\$ 2,713 (loans) and US\$ 491 (deposits) as at 31 December 2025 (2024: US\$ 2,428 (loans), US\$ 283,424 (deposits)). The loans are issued at terms that apply to employees of the Bank, i.e. below market rate. The deposits are placed at normal commercial market rates.

Transactions with Parent and fellow Group companies:

A number of banking transactions were entered into with related counterparties within the Zenith Bank Plc Group in the normal course of business. These include loans and deposits. All related party transactions were made on terms equivalent to those that prevail in arm's length transactions only when such terms can be substantiated. Outstanding balances at the end of the year and related party income for the year are as follows:

	2025 US\$	2024 US\$
Assets (amounts included in Loans and advances to banks in Note 17)		
Amounts due from parent company	335,357	286,820
Amounts due from other members of the Group	9,170,556	7,540,529
Total	9,505,913	7,827,349
Liabilities (amounts included in Deposits from banks in Note 28)		
Amounts due to parent company	383,037,279	524,190,327
Amounts due to other members of the Group	26,801,025	32,459,618
Total	409,838,304	556,649,945
Fees and commissions		
Received from parent company	5,382,118	4,523,216
Received from other members of the Group	1,351,519	835,831
Total	6,733,637	5,359,047

The above table includes Trading and other income.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

39 Related party transactions (continued)

	2025 US\$	2024 US\$
Interest income		
Received from parent company	333,790	6,219,666
Received from other members of the Group	496,173	213,758
Total	829,963	6,433,424
Interest expense		
Paid to parent company	17,175,775	14,272,266
Paid to other members of the Group	636,047	960,240
Total	17,811,822	15,232,506

ECL Allowance on amounts due from parent company and other members of the Group is US\$ Nil (2024: US\$ 21,330). All exposures to the Parent company are cash collateralised.

During the year, ECL Charge of US\$ Nil was recognised (2024: US\$ 21,330).

40 Dividends proposed and paid

	2025 US\$	2024 US\$
Proposed for current year	–	–
Paid for prior year	–	–

No dividends were declared or paid during the year ended 31 December 2025 (2024: none).

41 Ultimate parent company and controlling party

The Bank's immediate and ultimate parent, and sole shareholder is Zenith Bank Plc, a Bank incorporated in Nigeria. Zenith Bank Plc is the smallest and largest group for which consolidated financial statements are prepared that include the results of the Bank. Group financial statements into which the Bank's results are consolidated are available from Zenith Bank Plc at Plot 84, Ajose Adeogun Street, Victoria Island, Lagos, Nigeria or accessed online at www.zenithbank.com.

42 Significant events after the reporting period

The Directors confirm that there are no significant events since 31 December 2025 that require disclosure or adjusting in the financial statements.

Zenith Bank (UK) Limited Senior Management



Udu Ovbiagele
Chief Executive Officer



Adeyemi Paul-Taiwo
*Executive Director
Designate & Chief
Financial Officer*



Chidi Ogbata
*Executive Director
Designate, Business
Development*



John Driscoll
Chief Operating Officer



Joseph Crowley
*General Counsel and
Company Secretary*



Mark Parlour
*Head of Treasury
& Markets*



Jimmy Akinsanya
*Head of Corporate
Banking & Wealth
Management*



Natalia Andrew
*Head of Multinationals &
Financial Institutions*



Henry Amadiogwu
Chief Information Officer



Niranjan Patel
Chief Compliance Officer



Chinwendu Erinne
Head of Trade Services



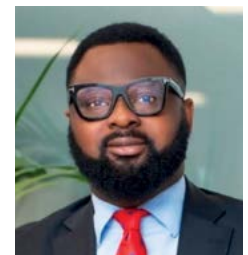
Olayiwola Adewoye
Head of Internal Audit



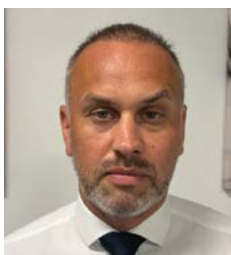
Robyn Clarke
*Acting Head of
Human Resources*



George Eke
Head of Conglomerates



Emmanuel Ogwu
*Head of Emerging
Markets*



Charles Young
*Head of Credit &
Fixed Income*



Oketunde Alabi
*Acting Senior Executive
Officer, Dubai Branch*



Rabah Rahmani
*General Manager,
Paris Branch*



Alexis Cayzele
*Deputy General
Manager & Chief
Financial Officer,
Paris Branch*



Daniel Obiomah
*Head, Manchester
Branch*

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