FCMB Bank (UK) Limited

Company Number: 06621225

Annual Report and Accounts

For the year ended 31 December 2025

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Officers and Professional Advisers

For the year ended 31 December 2025

Company Information

Directors	Position
Albert Maasland	Independent Non-Executive Director and Chairman
Amy Kirk	Independent Non-Executive Director
Richard P. Jones	Independent Non-Executive Director
Susannah Aliker	Independent Non-Executive Director
Ladipupo O. Balogun	Non-Executive Director
Gerald O. Ikem	Non-Executive Director (alternate to Ladipupo. O. Balogun)
Titilope O. Edun	Non-Executive Director
Oluwatoyin Olaiya	Non-Executive Director
Martin Richardson	Executive Director & Chief Executive Officer (Appointed 2 May 2025)
Derren Sanders	Executive Director & Interim Chief Executive Officer (Resigned 24 April 2025)

Company Secretary
Kathryn Firth (Appointed: 23 January 2025)

Registered Office
81 Gracechurch Street
London
EC3V 0AU

Independent Auditor
MHA
2 London Wall Place
London
EC2Y 5AU

Bankers
Standard Chartered Bank
1 Basinghall Avenue
London
EC2V 5DD

Citibank N.A.
399 Park Avenue
New York
NY 10022

Strategic Report

For the year ended 31 December 2025

The Directors present their Strategic Report for FCMB Bank (UK) Limited ("the Bank") for the year ended 31 December 2025.

The Bank had a transformative year following significant changes in leadership, a renewed strategy and continued focus on digital transformation and efficiencies. The Bank welcomed a new CEO and Board Chairman, seeking to boost leadership, strengthen relationships with First City Monument Bank Limited (the "Shareholder") and bolster transformation skills to support the Bank's digitalisation journey. In addition, the Bank took considerable steps to refine it long-term strategy to reflect the collective vision of the Board senior management and the Shareholder. This further led to management successfully gaining approval for significant investment in key transformation initiatives to support future growth.

The Bank also faced some challenges through a series of discrete and separate credit events and losses arising from legacy investments and practices have had a material impact on the Bank's financial performance for 2025.

During H2 2025, the Board and management reconsidered the Bank's strategy. The strategy was reviewed and adjusted to focus on key areas of transformation and digitisation. The Bank's newly approved strategic objectives seek to acknowledge the transformation journey required to support the Bank's future and growth.

In the summer of 2025, the Bank reviewed and repositioned its strategy, reconsidering its vision, purpose and values to become a UK leading digitally enabled transaction bank facilitating finance flows with sub-Saharan Africa. In addition, management sought to streamline and simplify the strategy to focus the Bank's attentions on fewer strategic initiatives and opportunities for optimisation. The simplified strategy seeks to: (i) support digital transformation of the Bank, (ii) optimisation of the Bank's asset base through diversification and capital light initiatives and (iii) evolve and strengthen the Bank's culture.

The resulting strategy has provided the Bank with four strategic drivers, summarised below:

C	Culture	• High performance • Agility • People transformation
O	Optimisation	• Customer Growth • Rova • Referrals from FCMB Group plc • Establishment of Representative Office (Abuja)
D	Digitisation	• Core Banking System • Trade Finance System • Internet Banking platform
E	Excellence	• Continuous improvement • Automation • Radical honesty & 'Speak up'

The Strategy was recommended by management, to the Board in July 2025 and was subsequently approved, with revised objectives, key results and key performance indicators approved by the Board in October 2025.

Business Activities and Developments

Strategic Report

For the year ended 31 December 2025

The Bank is domiciled in the UK, operating from a central London office. The Bank continues to operate across Trade Finance, Corporate Banking, Personal and Business Banking providing services to customers and counterparties from the Nigerian and wider African diaspora.

The Bank's principal products and propositions include:

- Deposit taking, including operating / current accounts.
- Trade finance.
- Commercial and syndicated lending.
- Buy to let Mortgages.
- Treasury operations, including money market and foreign exchange, including eFX, and the management of an investment portfolio, including bonds and fixed income securities.
- Digital banking services, of which version 2.0 of the Rova app was launched in September 2025 customer growth is expected in 2026.

During the year the Bank has continued to maintain a proactive focus on the management of risk across Nigeria, certain other African countries, the UK and USA. Market volatility in 2025 created additional challenges for multicurrency balance sheets. The Bank manages these risks closely, ensuring minimal impact on revenues.

The Treasury operations of the Bank have continued to manage the Bank's liquidity and the funding requirements using a broad network of international correspondent banking relationships, deposit aggregators and investment managers. The Bank accesses funding across a range of currencies and diversified sources, maintaining its strict controls on currency risks during volatile markets in 2025. A key theme across developed economies throughout the year has been the reduction in central bank policy rates and forward rate expectations. The Treasury function manages these risks closely, ensuring the Bank retains optimum liquidity at all times.

Trade Finance

During the year the Bank continued to grow its Trade Finance lending book with efforts focussed on the further diversification with expansion into new markets and credit counterparties. Credit book growth was further enabled by our capital light initiatives, where we expanded our utilisation of the private insurance market and Development Finance Institution trade facilities (International Finance Corporation and European Bank for Reconstruction and Development), exposure to multilateral development banks and by expanding our sell down capability further via Master Risk Participation Agreements to increase book turnover.

Corporate Banking

During the year Corporate Banking asset development centred on access to the syndicated market, with an emphasis on Energy-related deals which reflected increasingly positive market sentiment for Nigeria's economic recovery and the indigenous oil and gas industry. Whilst the Team were able to secure a number of approvals for syndicated risk participation, drawdown of the deals are largely scheduled for 2026.

The Bank also collaborated FCMB Group plc, to leverage existing Group relationships to support working capital exposures with Nigerian manufacturing and importing companies.

Personal and Business Banking ("PBB")

During the year the Bank continued to primarily focus on expanding its Buy-to-Let (BTL) asset book through increased emphasis on business development, strengthening relationships with both new and existing introducers, and enhancing collaboration other teams in the Bank. As a result, the pipeline grew significantly and conversion rates improved. There was also a strong focus on arrears management, with the implementation of new processes that successfully reduced arrears to nominal levels, with balances typically cleared within the same month. In addition, retention of maturing deals was a key priority, achieving a 100% retention rate.

Strategic Report

For the year ended 31 December 2025

Reduction in Eurobond Portfolio

In May 2025, following a review of the Bank's investment in Eurobond holdings, the Bank partially disposed its Eurobond Portfolio. The Board and management carried out a review of the risks held across the Eurobond portfolio, noting the exposure of the Bank to increased interest rate risk and decline in the forward-looking value of the investment and related returns. The disposal was successfully executed in H1 2025.

Credit Risk Events impacting 2025

During the year the Bank's exposure to Government of Ghana bonds (in IFRS Stage 2) was disposed of resulting in a reduction in Expected Credit Losses (ECL) of $212k. The Bank has a loan to Ministry of Finance Ghana in IFRS Stage 3. This is in the process of being restructured and, on the basis of terms agreed in principle, the Bank has reduced its ECL by $75k to $1.51m.

The Bank holds an investment in a fund, in which the underlying assets are loans for property development and bridging. The Bank gave notice to redeem its investment in August 2024. Due to lack of liquidity in the fund, the Bank has not yet received redemption proceeds and the timing for receipt remains uncertain. The Bank has historically valued the investment on a mark to market basis. The original investment has been split into two components, with one part that has been redeemed and is now categorised as a debtor, and the other being held as an investment where the Bank holds units and receives valuations on a monthly basis. In view of the uncertainty of the timing of repayment for both components, the Bank has revalued both assets on a carrying value basis. This has resulted in a loss of $816k.

The Bank has a defaulted credit exposure to a working capital facility with a UK corporate customer. The customer was placed into administration in January 2026. The Bank is the primary creditor and holds a first charge security over the assets of the company. Recovery actions are ongoing and are being closely managed by the Chief Risk Officer. The loan has been placed in IFRS 9 Stage 3 and an appropriate ECL allowance has been booked.

Digital initiatives

Trade Finance System

In July 2025, the Board provided approval for the procurement of a Trade Finance System to support the operations of Trade Finance and create efficiencies to support a scalable model to support continued growth and opportunity for the Bank's Trade Finance offering. The new Trade Finance System is expected to be fully operational by Q3 2026. Following successful launch of the new Trade Finance system the Bank expects to see efficiencies and new growth opportunities towards the end of 2026.

Rova 2.0

In September 2025, the Bank successfully launched version 2 of the Rova App into beta testing. The launch brings the Bank closer to the delivery of a robust and scalable platform, from which the Bank can springboard growth in retail customers. It is expected that the Rova App will be launched in 2026, to wider Retail customers with a specific focus on African global citizens and diaspora.

Strategic Report

For the year ended 31 December 2025

Core Banking System

In November 2025, the Board provided approval for management to proceed with a modernisation of its Core Banking System. The approval supports the Bank's strategy and seeks to build the foundations of a scalable target operating model with which the Bank can continue to grow across all businesses.

Future Developments

During 2026, the Bank shall continue to review its priorities against the backdrop of sub-optimal financial performance. Management and the Board shall be revisiting the objectives, key results and key performance indicators for 2026 to support the Bank in moving to a position of stable profitability and to exploit opportunities for capital light initiatives. Digital transformation and automation will remain a priority for the Bank and management. The ongoing work in these areas will provide the Bank with a foundation and stable agile platforms to support the Bank. This will in turn support the Bank with the following priorities: (i) Delivery of sustainable profitability and growth; (ii) supporting the long-term success of the Bank; (iii) build the foundations to support a digitally enabled transaction Bank; and (iv) develop and invest in an engaged, empowered and high performing workforce to support the Bank and promote the long-term success of the Bank.

Nigerian Economy

During 2025, Nigeria's economy continued to thrive, with GDP growing by an estimated 4%. Inflation remained high but stabilised in 2025 which was also reflected in the stability of the Naira allowing Central Bank of Nigeria to maintain its current trajectory of easing monetary policy rates further in 2026. The services sector and oil sector were key drivers of growth in 2025. Agriculture and renewable energy were identified as crucial for long-term development. Continued reforms to the business environment are targeting increases in Foreign Direct Investment (FDI). In October 2025, Nigeria was removed from the FATF grey list demonstrating international confidence in the Nigerian financial system and making it a more attractive prospect for investment, portfolio flows, trade finance and remittances. This positive move also provides for fewer compliance frictions better regulatory governance and alignment with global best practice.

Geopolitical matters

The geopolitical environment in 2025 was marked by rising global tensions, increasing fragmentation, and elevated financial stability risks. Major reports highlighted ongoing geopolitical conflicts, pressure in sovereign bond markets, and a greater likelihood of sharp asset-price corrections amid heightened uncertainty. These conditions contributed to a more volatile and unpredictable operating landscape for international financial institutions.

For a small foreign bank, these developments translated into increased funding and liquidity pressures, more cautious cross-border lending practices, and higher compliance demands due to shifting regulatory expectations. The Bank continues to assess the impact of global tensions, interest rates, and inflationary pressures including on our core African markets. The Bank has a dynamic monitoring plan in place related to country exposures, including a country watch list which is regularly reviewed through governance to ensure the Bank stays ahead of any upcoming issues. Key scenarios are built into the Bank's stress testing processes including both ICAAP and ILAAP, which are updated and approved by Board annually.

The Bank acknowledges that into 2026 it will continue to be exposed to is exposed to economic and market developments Sub-Saharan Africa. These markets may experience higher levels of macroeconomic volatility, including foreign exchange movements, inflationary pressures and changes in regulatory or political conditions. The Bank will manage these exposures through continuously improved credit risk management processes, defined risk appetite limits and regular monitoring of country and sector risks via its Management and Board level Credit Committees. The recapitalisation of Nigerian Banks in Q1 2026 shall create additional opportunities for the Bank with other counterparties for sustainable growth opportunities.

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On 28th February 2026, the USA and Israel launched military strikes on Iran. This has impacted and may continue to impact the global macro-economic environment for the foreseeable future.

In the short term, management consider that this is likely to increase economic uncertainty resulting in:

1. Wider credit spreads;
2. Delayed or reduced likelihood of interest rate cuts or possible rate increases; and
3. Increased volatility leading to higher credit impairments.

Outcomes 1 and 2 would support the banking sector through higher net interest margins, and therefore management do not expect these developments to adversely impact the Bank's going concern assessment. Outcome 3 could be detrimental, however given the geographic location of some of the Bank's main counterparties, this is less of a risk and may lead to changes in supply chain routes benefitting some of the Bank's key target markets.

Over a longer time span there is a risk of the conflict escalating and involving more parties. Further disruption to supply chains through the Strait of Hormuz could also increase financial volatility. The Bank will continue to monitor these risks and take appropriate action if these risks materialise.

Financial Results at the Reporting Date

The Directors are presenting the Bank's financial statements under UK adopted international accounting standards (International Financial Reporting Standards) and the requirements of the Companies Act 2006.

The loss before tax for the year ended 31 December 2025 was $4.90m (2024: profit $3.30m), the main drivers being an increase in ECL, mainly due to a single client which is a legacy loan, not part of current strategy of $5.28m, and tightening credit margins. Net interest income decreased to $15.51m (2024: $17.8m). Interest income decreased to $34.09m (2024: $36.18m), despite an increase in balance sheet size over the year due to compressed asset margins. Total interest expense increased slightly to $18.58m (2024: $18.34m), due to both increased funding levels and longer dated deposits taking time to run off. Despite that, the declining interest rate environment led to a reduction in cost of funds to 3.85% (2024: 4.32%). Operating expenses increased by $0.78m (12%) to $18.44m (2024: $17.66m) with increased staff costs, partly due to restructuring. Impairment charges increased by $5.35m to $5.38m (2024: $0.03m).

The Bank's total assets as at 31 December 2025 stood at $607m (2024: $521m). The increase year on year at the respective balance sheet dates was mainly due to increased assets for Trade Finance and an increase in Liquid Assets at year end with increased funding levels mainly increasing from Deposit Aggregators and the Central Bank of Nigeria (CBN).

Capital Position

Capital usage is closely monitored, with each lending opportunity carefully reviewed against other available opportunities in order to maximise capital efficiency. The Bank continues to report healthy capital ratios and closed the year with a CET1 capital ratio of 14.8%, and a total capital ratio of 17.4%.

Credit Risk and Expected Credit Loss ("ECL") Provision

The Bank's ECL provision is calculated in accordance with International Financial Reporting Standard 9. In applying this, the model reflects present economic conditions and forward-looking data. They are regularly reviewed and updated to ensure emerging trends in best practice are considered, and that there is an appropriate level of accuracy and alignment to the current economic landscape. The total provision held at 31 December 2025 was $9.13 million (2024: 3.99 million). The largest provision, of $5.28m relates to a company that was put into administration shortly after year-end and the provision is based on additional information found by the administrators since their appointment. There is an additional provision of $1.51m which relates to a syndicated loan which management expect to be restructured, and the provision is based on the agreement in principle for the restructured loan.

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Key Performance Indicators

The Bank monitors the business using a range of measures, including key performance indicators, which include the following:

	2025	2024	
	$ million	$ million	Change
Net operating income	13.54	20.96	(7.42)
Total operating expenses	18.44	17.66	0.78
Profit/(loss)before tax for the year	(4.90)	3.30	(8.20)
Net interest margin	2.88%	3.74%	(0.86%)
Total capital ratio	17.4%	18.9%	(1.5%)
Total assets	607	521	86

Regulatory Capital

	31 December 2025 $ million	31 December 2024 $ million
Tier 1 capital		
Share capital	53.90	53.90
Retained earnings and other reserves	1.82	3.04
Deduction of intangibles	(0.53)	(0.62)
Other capital adjustments	(0.53)	(0.85)
Tier 2 capital	9.60	9.60
Total regulatory capital	64.26	65.07

The total regulatory capital requirement as at the 31 December 2025 (including all buffers) was $58.97 million (2024: $55.15 million).

The liquidity coverage ratio as at 31 December 2025 was 266% (2024: 418%), against a regulatory requirement of 100%.

Disclosures of information recommended under Basel, Pillar 3 are available at the Bank's registered office and also on the website www.fcmbuk.com.

Strategic Report

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Principal Risks and Risk Management

The Board recognises that robust risk management is essential for achieving and maintaining the Bank's strategic objectives. The Bank employs a comprehensive risk management framework, integrating best practice policies and procedures to support its strategic aims and effectively identify, assess, monitor, and control risks.

The Bank has implemented the Three Lines of Defence model strengthen governance and risk management, offering a clear structure and framework for managing risks. Under this model, front office business units and some support functions form the first line of defence and are responsible for identifying, owning, and managing the risks arising from their day-to-day activities in line with approved risk appetite. The second line of defence comprises the Bank's Risk, Compliance and Financial Crime oversight functions. The third line of defence is the Internal Audit function which provides independent assurance to Management and the Board Audit Committee ("BAC") on the effectiveness of the Bank's governance, risk management and internal control framework.

The Board holds overall responsibility for the Bank's risk management and risk appetite. Oversight of the Bank's approach to risk management and risk appetite is delegated to the Board Risk & Compliance Committee ("BRCC"). Day to day responsibility of the development, implementation and update of policies, control systems and risk limits to the Management Risk & Compliance Committee ("MRCC") and executives including the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer and key members of the management team.

The risk management framework and risk appetite statement are reviewed and updated as part of an annual review process as well as when necessary and are approved by BRCC and subsequently the Board.

The Bank's governance framework provides appropriate support to assess the implications of economic and market performance, socio-political developments, and changes in the regulatory environment on the business, to ensure that the Bank's risk management framework remains current and, as far as possible, anticipates events so that corrective actions can be taken in a timely manner.

The table below provides an overview of the Bank's principal risks and subsequent mitigation and management:

Principal risks	**Definition**	**Mitigation and management**
Strategic Risk	Risk to earnings arising from performance deviating from that originally expected due to adverse decisions, improper implementation, or adverse business environment.	The Bank's appetite for strategic risk is medium. The Bank manages strategic risk through a clearly defined strategy setting process, strong Board oversight, and alignment of its risk appetite with its medium term financial and operational plans. Governance structures ensure the Board, Executive Committee ("ExCo"), and other specialist committees provide challenge and oversight of strategic initiatives, major change programmes and any related execution risk. Progress against strategy is monitored through key performance indicators, key risk indicators, early warning indicators, and structured challenge on performance against strategy.

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Principal risks	Definition	Mitigation and management
Capital Risk	Risk that the Bank fails to maintain its capital requirement.	The Bank's appetite for capital risk is low. The Bank manages capital risk through an annual evaluation of the Bank's capital baseline and stressed conditions. This is documented through the Internal Capital Adequacy Assessment Process (ICAAP), which ensures capital levels remain in excess of the Bank's capital requirements and regulatory buffers. This approved by the Board annually. The Bank seeks to maintain a conservative capital appetite, supported by forward looking stress testing, prudent balance sheet growth, and diversification of balance sheet assets. Regular monitoring of capital, risk weighted assets and profitability ensures that capital remains sufficient to support the Bank's strategy. Oversight and challenge are provided through the Asset and Liability Committee ("ALCo"), Management Risk & Compliance Committee ("MRCC"), Board Risk & Compliance Committee ("BRCC") and the Board.
Liquidity Risk	Risk of not maintaining adequate liquid resources to meet the Bank's obligations as and when they fall due, at all times.	The Bank's appetite for liquidity risk is low. The Bank holds a substantial stock of high-quality liquid assets and monitors key regulatory metrics (including the Liquidity Coverage Ratio and Net Stable Funding Ratio) against Board approved thresholds. A robust annual evaluation of the liquidity of the Bank (the Internal Liquidity Adequacy Assessment Process (ILAAP)), ensures that when in a period of both idiosyncratic and market-wide stress the Bank is able to maintain a contingency funding plan and recovery plan. This is approved by the Board annually. Daily monitoring of cash flows, liquidity positions, and mismatches is carried out by the Treasury function. Oversight and challenge is provided through the Asset and Liability Committee ("ALCo"), Management Risk & Compliance Committee ("MRCC"), Board Risk & Compliance Committee ("BRCC") and the Board.

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Principal risks	Definition	Mitigation and management
Credit Risk (including concentration risk)	Risk of suffering financial loss should a borrower or counterparty defaults in meeting its obligation in accordance agreed term or as a result of concentration exposures.	The Bank's appetite for credit risk is medium. The Bank mitigates credit risk through a comprehensive credit risk framework which sets limits for counterparties, country, sector and product with particular attention to exposures in Sub-Saharan Africa. The Bank applies enhanced due diligence and a conservative underwriting approach for lending Financial Institutions, Trade Finance, sovereign-linked lending, and secured exposures in higher risk markets. The Bank mitigates related concentration risks through country limits (set within ICAAP), exposure caps, and diversification across trade corridors, counterparties, and sectors. Oversight and challenge is provided on a monthly basis by the Management Credit Committee ("MCC") and quarterly by the Board Credit Committee ("BCC").
Market Risk (including Interest Rate Risk on the Banking Book ("IRBB"))	Risk of losses from on and off-balance sheet positions arising from adverse movements in market prices/indices and present and future risks to capital and earnings as a result of market interest rates.	The Bank's appetite for market risk is low. The Bank mitigates market risk via the Treasury policy which includes strict Board approved limits for net open positions and interest rate sensitivity. The Bank hedges structural FX exposures where appropriate and restricts bond holdings to high quality, investment grade instruments. IRRBB is monitored through Earnings at Risk and Economic Value of Equity metrics, scenario testing, and adherence to PRA prescribed shock thresholds. Oversight and challenge is provided through daily treasury reporting to the CEO, CFO and CRO, monthly in ALCO and quarterly in the BRCC.

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Principal risks	Definition	Mitigation and management
Operational Risk	Risk of actual or potential (near miss events) loss resulting from inadequate or failed internal processes, people, and systems, or from external events.	The Bank's appetite for operational risk is low. The Bank mitigates operational risk through a comprehensive Board approved Risk Management Framework (RMF) encompassing processes, people, systems, and external events. The Risk Management Framework is approved by the Board annually. Mitigating controls include segregation of duties, documented procedures, incident reporting, change management, and operational resilience measures. The Bank also manages outsourcing and third-party risk through due diligence, performance monitoring, and contractual controls aligned to regulatory expectations. Oversight and challenge is provided through the Operations Committee, MRCC, ExCo, BRCC and Board
IT Risk	Risks associated with losses arising from technology-based activity involving the Bank's IT systems including cybersecurity, IT system failures, data loss due to non-malicious causes, service interruptions, and challenges arising from the implementation and operation of IT systems.	The Bank's appetite for IT risk is low. The Bank mitigates IT risk through layered defences including access controls, vulnerability management, penetration testing, disaster recovery, and network monitoring. Major technology projects or change are subject to formal risk and architecture review processes with critical systems benefitting and rigorous testing, with oversight by the IT function. The Bank's Cyber security strategy is reviewed and approved by the BRCC and the Board. Regular oversight and challenge is provided by the Operations Committee, MRCC, ExCo, BRCC and Board.

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Principal risks	Definition	Mitigation and management
Financial Crime Risk	Risk of financial loss or reputational damage resulting from internal and external fraud, money laundering, terrorist financing, bribery and corruption, tax evasion and non-compliance with sanctions.	The Bank's appetite for financial crime risk is low. The Bank mitigates financial crime risk through robust controls in its onboarding, know your client, customer due diligence, transaction monitoring and sanctions screening processes. The Bank has also assigned dedicated second line oversight for financial crime risk and promotes operating effectiveness through continuous improvement and alignment with regulatory requirements and best practice. Regular oversight and challenge is provided by MRCC and BRCC with escalations to the Board where required.
Conduct and Compliance Risk	Risk arising to the Bank through insufficient and inadequate compliance with legal and regulatory requirements including conduct frameworks, policies, practices, and emerging legislation or regulatory matters.	The Bank's appetite for conduct and compliance risk is low. The Bank mitigates conduct and compliance risk though clear policies, regulatory horizon scanning, annual mandatory training for all colleagues and product governance frameworks. The Bank promotes a culture of fair customer outcomes, market integrity, and adherence to applicable laws and regulations. Regular oversight and challenge provided by the Customer, Product and Change Committee, MRCC, BRCC and Board Audit Committee with escalations to the Board where necessary. The Bank has also appointed a Board level whistleblowing champion and consumer duty champion. The BRCC also receives an annual compliance report and MLRO report

More detailed disclosures relating to the Bank's principal risks and uncertainties along with the manner in which these are measured and managed are contained in the notes to the financial statements.

Internal Audit

Grant Thornton is appointed as the Bank's outsourced Internal Audit function (and third line of defence as part of the Bank's risk management model). Every year the Board and management review the Internal Audit plan, along with Grant Thornton, to agree the planned audits for the upcoming year. Once agreed, these audits are delivered with the resultant reports reviewed at the ExCo and BAC.

Management of Climate change risk and Environmental, Social and Governance (ESG) matters

The Bank is committed to playing its part in contributing to, facilitating and leading the management of climate change risk and environmental, social and governance matter across business lines and markets, particularly in African business. It is developing proportionate actions to respond to climate and ESG related risk considerations and integrating them into management processes and risk appetite. The Bank recognises that the process is continuing and has a long implementation trajectory. This approach looks

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beyond the immediate future and considers 10-, 20- and 30-year horizons, consistent with regulatory requirements and the UK's legally binding commitment to achieve net-zero greenhouse gas emissions by 2050.

The Board takes ESG risks seriously, with senior executives leading the programme. In 2024, the Bank worked with The Disruption House, an ESG consultancy, to conduct a gap analysis and provide advice on advancing the ESG agenda. In 2025, the Bank continued to act on recommendations from the independent report by Disruption House, calculating total emissions across Scopes 1, 2, and 3. The findings of this report will help sharpen the Bank's ESG focus, including developing a climate change roadmap and supporting future actions. The Bank has an ESG Policy that outlines its sustainability approach, emphasizing a corporate culture where sustainability is central to all operations and values. Additionally, the Bank is developing a separate climate change framework and conducting further portfolio-specific analyses to meet current regulatory standards.

The Bank strives to build sustainable, equitable, healthy, and diverse communities through a combination of innovative business practices and ESG performance. This commitment informs all aspects of the Bank's business, including how the Bank designs and builds new projects, operates the firm, collaborates with stakeholders and reports progress.

As a business, the Bank has a duty to its people, customers, and wider communities. ESG gives the Bank an opportunity to bring those impacts together. Further information on the Bank's approach to governance has been included in the Corporate Governance report on page 15.

Colleagues and Culture

The Bank believes that all colleagues are the foundation of the success of the Bank. Building a purpose driven culture which champions inclusivity, diversity and equality is of upmost importance to the Board and management. Reflective of the Bank's commitment to diversity, a colleague led Women's Network was launched in September 2025 with colleagues across all levels participating in the launch of the network, attending an inaugural meeting and lunch held in September and December 2025.

The Bank's employee proposition includes benefits to colleagues such as Group Life Cover Scheme, Group Income Protection Scheme, and a Private Health Care Scheme. During 2026, the Bank will be revisiting its employee proposition as part of its ongoing commitment to retain top talent and align with competitors.

Colleagues are integral to the success of the Bank and the delivery of the approved Strategy. Reflecting this sentiment, the Bank engaged with all colleagues on the refresh of the Bank's strategy. In these sessions, colleagues were invited to comment on the reprioritisation and refresh of the Bank's strategy for 2025 and into 2026. Townhall meetings are also held with all colleagues on a monthly basis and provide colleagues with updates on the delivery of the Bank's approved strategy, financial and business performance headlines, project updates and messages from management and the Board.

The importance of providing opportunities for all colleagues to develop and enhance their personal and professional skills through training and development is supported through internal and external training programmes and professional training programmes and certifications.

Colleagues wellbeing remains of significant importance to the Bank. In May 2025 a wellbeing hub was launched, the hub focusses on supporting colleagues on mental health, including the establishment of a monthly wellness walk. The Bank also utilises a HR support service with a comprehensive, bespoke online information portal, which also provides access to an employee assistance helpline, including support for mental health issues.

On a regular basis, anonymous colleague feedback surveys using both employee Net Promoter score (eNPS) and internal Net Promoter Score (iNPS) methodology, as well as pulse surveys. The insights included in these surveys are reviewed by the HR team and management regularly and provide valuable feedback from our colleagues in their perceptions and expectations of the Bank as an employer. Outcomes of the surveys continue to inform our HR strategy and approach to culture. In addition to survey responses,

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the Bank also established a colleague feedback forum attended exclusively by colleagues (without management in attendance), the forum seeks to provide another opportunity for colleagues to provide feedback and areas for improvement.

The Bank is committed to embedding a high-performance culture which celebrates all of our colleagues, in reflection of this, management have committed to intentionally focus on culture with an independent specialist and all colleagues in early 2026.

Corporate Governance Report

The Board is committed to maintaining high standards of corporate governance, recognising that strong governance is essential to the long-term success, sustainability and integrity of the Bank. The Bank's governance framework is designed to promotes effective leadership, sound risk management, prudent oversight, and independent and informed decision making.

The Board currently comprises of nine Directors, namely an independent Chairman, three independent non-executive Directors, three non-executive Directors, an alternate non-executive Director and an executive Director.

The Board as a whole, have an effective balance of knowledge, skills and diversity including substantial experience across all aspects of banking in the UK and Nigeria. Directors bring varied professional experience including financial management experience, understanding of compliance/regulatory obligations and wide-ranging markets knowledge.

The Board and Board Committees have unrestricted access to management and external advisors to support the fulfilment of their responsibilities.

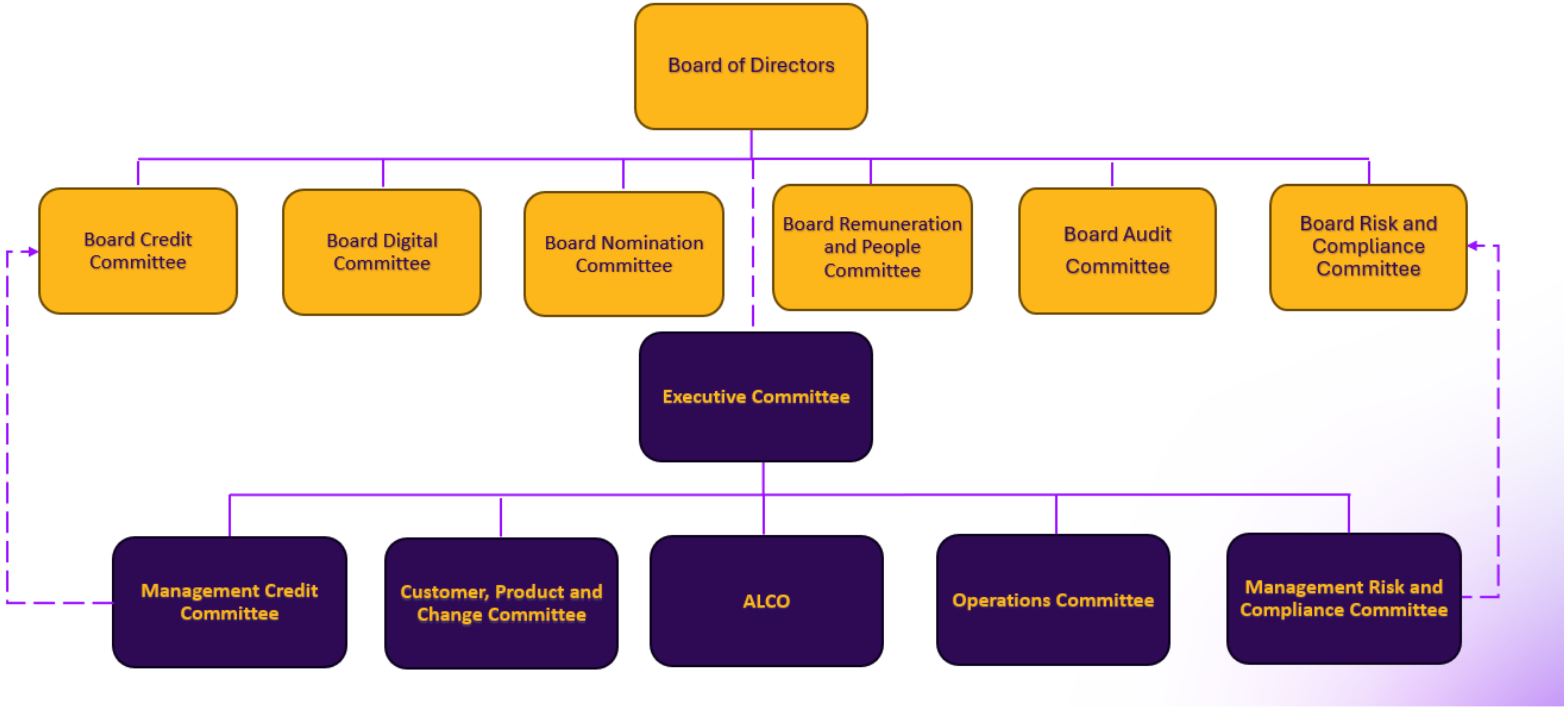
The Bank has Corporate Governance Manual ("CGM") which outlines the Bank's approach to corporate governance and remains committed to adhering to best practice corporate governance principles. During 2025, the Bank carried out a full review of the Terms of Reference and the responsibilities of the Board, Board Committees, the ExCo and Management Committees. This review was the start of the wider review of the Bank's corporate governance processes and framework. This will continue into 2026, with a full review and redraft of Board processes, policies and the CGM.

At the end of 2025 the Board and Board Committee's carried out an effectiveness review with the Company Secretary. The results of the effectiveness review were considered in January 2026. Common themes arising from the reviews included (i) improvements to board materials to support qualitative Board level discussions, (ii) opportunity to review and refresh the skills and competencies on the Board, (iii)improve Board oversight of stakeholders and (iv) improvements required to support the reduction of duplication of discussions across Board level meetings. Outcomes of the Board effectiveness review will be managed and monitored by the Company Secretary and Chairman through 2026. An external independent effectiveness for the Board will be scheduled in early 2027.

Strategic Report

For the year ended 31 December 2025

The Bank's governance structure as 31 December 2025 is shown in the chart below and comprises of the Board, Board Committees and principal executive and management committees. The structure supports the Board in its oversight of the Bank's strategy and performance, provides for clear lines of accountability and responsibility and effective decisions making. The ExCo, Management Risk and Compliance Committee and Management Credit Committee also have independent reporting lines into the or Board Committee's as evidenced by dashed lines. At the end of 2024 the Board established a new Board Committee with oversight on Digital and technology initiatives, the activities of the Board Digital Committee are included later in this report. Further information on the Executive and management committees are included later in this report.



Strategic Report

For the year ended 31 December 2025

The Board met 11 times during the reporting period. Directors' attendance during 2025 was recorded at 94%.

Board activities

During 2025, the Board's key activities included:

- Approval of the appointment of Martin Richardson as CEO, Albert Maasland as Board Chairman, the Company Secretary and two independent advisors to the Board;
- Approval of revised terms of reference for all Board Committees including the establishment of a Board Digital Committee at the end of 2024 and Nomination Committee at the end of 2025;
- Review and approval of a refreshed and refined strategy for 2025 and 2026 (including Objectives, Key Results and Key Performance Indicators);
- Review and approval of the Bank's 2024 Financial Statements, 2025 Budget, ILAAP, ICAAP, Liquidity contingency plan, resolution and recovery plan, risk appetite statement, risk management framework and Consumer duty report;
- Monitoring and oversight of the Bank's financial performance, business performance and risk profile via reporting from the CEO;
- Approval of two key transformation projects for the implementation of a Trade Finance system during 2026 and a new Core Banking platform during 2026 and into 2027;
- Approval of the partial divestment of the Bank's investment in Eurobonds;
- Oversight and monitoring of improvements to data governance, business continuity and operational resilience;
- Oversight of the establishment of a Representative Office in Abuja, Nigeria; and
- Approval of the Beta launch of 'Rova' the Bank's digital banking proposition.

In order to maintain appropriate oversight the Board has delegated certain roles and responsibilities to six Board level Committees; Remuneration and People Committee, BRCC, BAC, BCC, Board Digital Committee and a newly established Nomination Committee.

Remuneration and People Committee ("RemCo")

The RemCo has delegated authority for the oversight of remuneration, reward, succession planning, talent management and culture. The RemCo is responsible for ensuring that the Bank's approach to remuneration and reward remains in line with relevant regulation and good practice. RemCo also ensure that risk and reward behaviours align with the Bank's risk appetite.

The RemCo is comprised of three members (of which two are independent Non-Executive Directors). During 2025, at the request of the Shareholder, Titilope O. Edun was added to the RemCo as an observer. The RemCo met nine times during the reporting period will all members in attendance at all meetings.

During 2025, the RemCo's key activities included:

- Approval of the appointment of a new CEO (including the remuneration package);
- Oversight of the CEO transition and onboarding;
- Oversight and approval of the remuneration of senior management function roles, including the interim CFO and COO;
- Oversight and approval of changes to the people operating model;
- Approval of changes to the colleague Pension Scheme aligning with best practice;
- Review of the Bank's performance against the 2025 balanced scorecard;

Strategic Report

For the year ended 31 December 2025

- Review and approval of Variable Pay awards for Executive Directors, Executive Committee / Senior Managers, and Material Risk Takers, as well as the overall variable pay pool and management's methodology for allocation to colleagues;
- Review and recommendation to the Board of the Bank's 2025 Objectives, Key Results and Key Performance Indicators;
- Annual review and approval of the Bank's Management responsibilities map, including the addition of two certified roles;
- Review of succession planning for the senior leadership team;
- Regular updates on the HR strategy and ongoing improvements to HR processes;
- Regular consideration to culture and alignment with the Shareholder on culture initiatives;
- Review of the outcomes of the RemCo effectiveness review; and
- Review and recommendation to the Board of revised terms of reference

Board Risk and Compliance Committee ("BRCC")

The BRCC has delegated authority for the oversight of the Bank's arrangements, effectiveness and adequacy for risk management, risk strategy and risk appetite. The BRCC is also responsible for the ongoing oversight of the Bank's risk profile, compliance framework and the effectiveness of the Bank's second line of defence.

The BRCC is comprised of four members (three of which are independent Non-Executive Directors). The BRCC met five times during the reporting period with all members in attendance at all meetings. The BRCC also held two workshop sessions in July and September 2025 to consider and discuss the ILAAP and ICAAP process and outcomes.

During 2025, the BRCC's key activities included:

- The following documents were reviewed and recommended to the Board; ICAAP, ILAAP, Risk Management Framework, Risk Appetite Statement, recovery & resolution plan and liquidity contingency plan;
- Review and recommended to the Board, the operational resilience self-assessment for the Bank;
- Review and approval of the Bank's policy inventory including the review and approval of the AI policy, Anti Criminal Tax Evasion/Facilitation policy, Anti-Fraud policy and Anti-Bribery and Corruption policy;
- Review and approval of the Annual MLRO Report, Data Protection Officers (DPO) Report and Annual Compliance Report from the MLRO, DPO and Chief Risk Officer;
- Ongoing review of the controls and mitigations in place for risks arising from regulatory reporting, third party risk management, transformation, digital change and business continuity;
- Review of the Bank's cyber security arrangements and progress against the Bank's cyber security roadmap;
- Regular review and challenge of the Chief Risk Officer (CRO) report which provides BRCC with updates on: (i) the Bank's risk profile, (ii) key risk indicators, (iii) compliance indicators and MI, (iv) outcomes of the Bank's compliance monitoring programme, (v) regulatory updates (vi) horizon scanning and (vii) any other emerging risk matters or events deemed necessary or relevant by the CRO for escalation to the BRCC;
- Consideration of the impact of ESG and Climate Change related risks on the Bank;
- Review of the outcomes of the BRCC effectiveness review; and

Strategic Report

For the year ended 31 December 2025

- Review and recommendation to the Board of revised terms of reference.

Board Credit Committee ("BCC")

The BCC has delegated authority for the oversight of the Bank's management of credit risk, credit strategy, the performance and quality of the credit portfolio. The BCC is responsible for overseeing the management of credit risk and performance of the Bank's credit portfolio. The BCC also has oversight of the delivery of the credit strategy.

The BCC is comprised of three members (one of whom is an independent non-executive director). In 2025, the BCC appointed a specialist credit advisor as an observer and to provide specialist credit knowledge. The BCC met seven times during the reporting period, members attendance during 2025 was recorded as 89%.

During 2025, the BCC's key activities included:

- Quarterly review of the credit portfolio of the Bank, with particular focus on poor performing credit assets and investments;
- Review and approval of country risk limits;
- Review and approval of the Credit Policy, ensuring alignment with the Bank's overarching risk appetite and profile;
- Review of the Bank's forward looking credit strategy;
- Review and approval of credit proposals in line with delegated authorities;
- Reviewed the outcomes and key drivers of the expected credit loss (ECL) model to support the calculation of ECLs;
- Review of the outcomes of the BCC effectiveness review; and
- Review and recommendation to the Board of revised terms of reference.

Board Audit Committee ("BAC")

The BAC has delegated authority for the oversight of the Bank's financial reporting, internal and external audit and internal controls. The BAC is responsible for the oversight of the effectiveness of internal audit, external audit and related assurance functions and internal controls. The BAC also oversees the Bank's Whistleblowing process.

The BAC is comprised of four members (the majority of which are independent non-executive director). The BAC met five times during the reporting period, with all members in attendance at all meetings.

During 2025, the BAC's key activities included:

- Review and approval of key accounting judgements for the year ended 31 December 2024, including the ECL;
- Received, reviewed and challenged the External Auditor report for the year ended 31 December 2024;
- Review and recommendation to the Board for approval, of the Financial Statements, going concern statement and management representative letter for the year ended 31 December 2024;
- Review and recommendation to the Board for approval of the Pillar 3 Disclosures; and
- Approval of the statutory audit fees and internal auditor fees;
- Review of the independence of the external auditor;

Strategic Report

For the year ended 31 December 2025

- External audit planning for 2025 year-end;
- Review and approval of the 2026 Internal Audit plan and Audit Charter;
- Private sessions with internal and external auditors;
- Review of internal audit reports, including, Credit Risk, Regulatory Reporting, Single Customer View, APP Fraud, Compliance and Finance controls;
- Review of reports arising from additional assurance activities carried out by the Shareholder;
- Recommended the reappointment of MHA as external auditor of the Bank to the Board and Shareholder for approval;
- Review of the Auditor Independence policy;
- Review of Whistleblowing processes and procedures and approval of the Whistleblowing policy;
- Review of the outcomes of the BAC effectiveness review; and
- Review and recommendation to the Board of revised terms of reference.

Board Digital Committee ("BDC")

In late 2024 the Bank established the BDC to support the Bank in its digitisation and transformation journey. The role of the BDC is to provide oversight and advice in relation to the Bank's digital and transformation programme, specifically in relation this relates to implementation of new Bank-wide systems, the automation of processes, digitalisation and transformation initiatives (including the development and commercial launch of a digital banking proposition 'Rova').

The BDC is comprised of four members (the majority of which are independent Non-Executive Directors). The Board also appointed a specialist digital advisor to the BDC as an observer to provide additional and specialist digital and technology knowledge. The BDC met seven times during the reporting period, members attendance during 2025 was recorded as 90%.

During 2025, the BDC's key activities included:

- Oversight and review of the Bank's digital and transformation programme, including the delivery of an eFX platform, delivery of Rova (2.0) application to a beta environment, commencement of core banking project and trade finance system and the ongoing development and delivery of a customer internet banking platform;
- Review and challenges of Rova product roadmap, target market, customer insights, onward strategy and outcomes of independent assurance audits of the app against UK regulatory expectations.
- Review and challenge of the Bank's approach to use of artificial intelligence (AI) to achieve efficiencies;
- Review and challenge of the long-term strategy and phasing for the core banking project;
- Review and challenge of the customer strategy for internet banking;
- Review of the Bank's Cyber strategy and its alignment with digital transformation; and
- Review and recommendation to the Board of revised terms of reference.

Executive Governance arrangements

The Board has delegated the day-to-day management and operations of Bank to the Chief Executive Officer, who has, with executive management established the following management governance arrangements to support the Bank's oversight and monitoring activities.

Strategic Report

For the year ended 31 December 2025

Where relevant the role of the management committees has been updated following the governance review in 2025. All management committees report regularly to the ExCo on outcomes of meetings, highlighting any points for escalation and discussion.

Executive Committee ("ExCo"):

The ExCo supports the Board and the Bank in the execution of strategy and monitoring of financial and business performance, oversight of operations, oversight of risk management and approval of matters line with its delegated authority from the Board and the CEO. The ExCo operates within the Bank's governance framework, financial and signing authority, risk management framework and in accordance with relevant regulatory obligations. The ExCo meets on a two monthly cycle the CEO is the Chairman. The following management committees are sub-committees of the ExCo and have been authorised to carry out activities by the ExCo via their terms of reference.

Management Risk & Compliance Committee ("MRCC"):

The MRCC supports the Bank in the identification, assessment, monitoring, management and enhancement of risk. The MRCC also oversees and monitors the Compliance and financial crime activities of the Bank in line with regulatory expectations. The MRCC has an independent reporting line into the BRCC and is chaired by the CRO. The MRCC meets on a two monthly cycle.

Management Credit Committee ("MCC"):

The MCC supports the Bank in the monitoring of lending and credit risk related activities. The MCC also oversees and manages the Bank's lending and other operational credit activity and decisioning. The MRCC has an independent reporting line into the BCC and is chaired by the CRO. The MCC meets on a monthly cycle.

Assets and Liabilities Committee ("ALCO"):

The ALCO supports the Bank in its management of market, capital, liquidity, and balance sheet (asset and liabilities) risks. The ALCO meets on a monthly basis and is chaired by the Chief Financial Officer.

Operations Committee ("OpCo"):

The OpCo supports the Bank in the oversight and monitoring of the efficiency, effectiveness of the Bank's day to day operational risk and operational activities and processes ("Run the Bank"). This shall also include consideration to the delivery of the Bank's Cyber and IT strategy. The OpCo also oversees the Bank's management of third-party providers. The OpCo meets on a monthly basis and is chaired by the Chief Operations Officer.

Customer, Product and Change Committee ("CPCC"):

The CPCC supports the Bank in its management and oversight of customer, product governance and strategic initiatives and transformation activity to support the delivery of the approved strategy ("Change the Bank"). The CPCC oversees consumer duty and customer outcomes and ensures the suitability and effectiveness of existing and new products. The CPCC meets on a monthly basis and is chaired by the Head of Rova and Digital Transformation.

Strategic Report

For the year ended 31 December 2025

Stakeholder Engagement (Section 172(1) Companies Act 2006 Statement)

The Directors present this statement pursuant to section 172(1) of the Companies Act 2006, explaining how they have had regard to the matters set out in section 172(1)(a) to (f) and how these considerations have influenced the decisions and actions of the Board during the financial year ended 31 December 2025. As a private limited company and a UK-regulated Bank, the Board recognises its duty to promote the long-term success of the Bank while maintaining the safety and soundness expectations associated with dual regulation.

1. Long term success of the Bank

The Board's goal is to ensure the sustainable, long-term financial resilience of the Bank while supporting its role in the wider financial system. During the year, the Board's strategic discussions focused on:

1. Maintaining robust capital and liquidity levels in line with PRA requirements, including ICAAP/ILAAP outcomes;
2. Refinement of the Bank's short-term and long-terms strategy and key performance indicators;
3. Investment in Core Banking Application and Trade Finance System to support automation, efficiencies and the long-term strategy of the Bank; and
4. Oversight of the Bank's digital Banking offering 'Rova'.

These areas are underpinned by the Bank's long-term strategy and vision to be the UK's leading digitally-enabled transaction bank facilitating finance flows for sub-Saharan Africa.

2. Impact on colleagues

Our colleagues remain critical to the Bank's long-term performance. The Board considered the interests of colleagues through:

- Regular discussions and oversight of the Bank's culture, including alignment with the Bank's Shareholder;
- Training on conduct, risk culture, Consumer Duty, and regulatory change;
- Annual workforce engagement forums and surveys; and
- Structure of the Bank's people operating model.

Key decisions this year affecting employees included changes to the Bank's colleague pension scheme and changes to the Bank's people operating model.

3. Relationships with customers, suppliers, and other stakeholders

The Board recognises its responsibilities to customers, suppliers, and counterparties that rely on the Bank's stability and integrity.

<u>Customers</u>

The Board oversaw compliance with Consumer Duty, focusing on:

- Outcomes of the Bank's annual consumer duty report;
- Suitability of 'Rova' for the Bank's existing and future customers; and
- The Bank's oversight of product governance, including customer outcomes.

<u>Suppliers & Outsourcing Partners</u>

Strategic Report

For the year ended 31 December 2025

Given regulatory expectations on outsourcing and third-party risk management, the Board:

- Continued to scrutinise the Bank's arrangements for third-party management, with a particular focus on outsourcing arrangements for ROVA (the Bank's digital customer offering) and technology development with the Shareholder and FCMB Group plc; and
- Reviewed the Bank's annual operational resilience self-assessment.

4. Impact of operations on the community and environment

The Board recognises its role in promoting responsible business practices. During 2025, the Bank continued to embed its approach to ESG and the Bank's management of climate-related risks, further information on the Bank's approach to this can be found on page 14.

5. Maintaining high standards of business conduct

The Board recognises the importance of maintaining the highest standards of conduct and governance. During the year, the Board continued to oversee:

- Appropriateness of the Bank's governance framework, risk management, and internal control systems.
- Ongoing compliance with the Senior Managers & Certification Regime.
- The Bank's arrangements for the monitoring of conduct, financial crime and anti-money laundering risks, whistleblowing, and internal audit.

The Board ensures that decisions made are aligned with the Bank's values, vision and regulatory expectations as well as acting fairly between members of the company.

6. Principle decisions made during the year.

The following decisions illustrate how the Board considered s172 factors during 2025:

- <u>Investment in core banking platform:</u> The Board considered the Bank's long-term strategy, long-term operational resilience, operational risk, employee capability and efficiency needs, and regulatory expectations;
- <u>Changes to the people operating model:</u> The Board and the RemCo considered colleague wellbeing, operational efficiency, long term sustainability and colleague skills and capabilities.
- <u>Forward looking Credit Strategy:</u> The BCC considered customer strategy, tolerances for loss given defaults and non-performing loans, good business practices and suitability for the long-term success of the Bank.
- <u>ILAAP and ICAAP:</u> The Board and BRCC considered, regulatory expectations, capital and liquidity management, financial sustainability and stakeholder impacts.

Strategic Report

For the year ended 31 December 2025

7. Governance processes supporting s172 compliance.

The Bank embeds s172 duties through:

- Regular reporting from Board Committees; and
- Executive reporting on customers, risk, employees, operations, and regulatory matters.

By order of the Board
For and on behalf of FCMB Bank (UK) Limited

Albert Maasland (Apr 17, 2026 13:52:44 GMT+2)

Albert Maasland
Chairman of the Board
17 April 2026

Directors Report

For the year ended 31 December 2025

The Directors of present their annual report together with the audited financial statements of FCMB Bank (UK) Limited ("the Bank") for the year ended 31 December 2025. Other information that is relevant to the Directors report and which is incorporated by reference in this report can be located as follows:

Subject	Pages
List of Directors and Officers served during 2025	2
Business Activities and future development	4-6
Engagement with Colleagues	14-15
Corporate Governance	15-21
Engagement with Suppliers, Customers and other stakeholders	22-24
Events after the reporting period	27 and 90
Internal controls and risk management	9-13
Results for the year	7-8
Use of financial instruments	68-83

The Bank has chosen, in accordance with section 414C (11) of the Companies Act 2006, and as noted in this Directors' Report, to include certain matters in its Strategic Report (where applicable) that would otherwise be disclosed in this Directors' Report, which include business activities, and future plans. Therse matters can be found on pages 2 to 6.

Legal Form

The Bank was constituted in the UK in 2008 and is a wholly owned subsidiary of First City Monument Bank Limited ("FCMB"), Lagos (incorporated in 1982) and currently licensed by the CBN to operate as a commercial bank with international authorisation.

FCMB is a wholly owned subsidiary of FCMB Group Plc ("the Group"), a financial holding company registered under the laws of Nigeria, operating in a wide range of financial services activities. The Group is regulated by the CBN as a non-bank financial institution and listed on the Nigerian Stock Exchange.

The Group is the Bank's ultimate Parent.

Regulators

The Bank is authorised by the Prudential Regulation Authority ("PRA") and is regulated by both the Financial Conduct Authority ("FCA") and the PRA.

Representative Office

The Bank has established a representative office in Nigeria, the main purpose of the office will be to build and manage relationships locally with customers, introducing the global Nigerian customer to the services of the Bank.

Dividends

The Directors are not recommending a dividend in respect of the year ended 31 December 2025. (2024: $nil).

Directors Interest

None of the Directors hold shares in the Bank.

Details of Directors' interests in the shares of the ultimate Parent are disclosed in the financial statements of the FCMB Group Plc which are available on request from the Bank (at 81 Gracechurch Street, London EC3V 0AU) or from the Parent's office at Primrose Towers, 17A Tinubu Street, Lagos, PO Box 9117, Nigeria or from the group website at www.fcmb.com .

Directors and Officers Insurance

Directors Report

For the year ended 31 December 2025

The Bank has arranged qualifying Directors' and Officers' liability indemnity insurance for all of its Directors.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards (International Financial Reporting Standards) in conformity with the requirements of the Companies Act 2006 and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Bank and of the profit or loss of the Bank for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether UK adopted international accounting standards, in conformity with the requirements of the Companies Act 2006, have been followed subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with specific requirements in UK adopted international accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business. The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Bank's transactions and disclose with reasonable accuracy at any time the financial position of the Bank and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Bank's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Bank's auditors are aware of that information.

Directors Report

For the year ended 31 December 2025

Going Concern

The Directors continue to manage key risks through the governance structure described above. The Bank made a loss during 2025 mainly due to a single credit event which is not representative of the Bank's wider portfolio. The Directors have reassessed the capital and liquidity position given the 2025 loss, noting that capital will be more constrained. The Bank anticipates making a modest profit in 2026 with this growing in 2027 and 2028. The future growth is partly based on efficiencies as part of the Bank's digital investment and development of new income streams which are anticipated to grow. The Directors' confidence is demonstrated by the investment in new systems and the Directors have concluded there are no material uncertainties that cast significant doubt over the ability of the Bank to continue as a going concern for at least 12 months from the date of this report.

Political Donations

The Bank made no political donations during the year.

Share Capital

The Bank is a private company limited by shares. Details of the Bank's issued share capital, together with details of the movements in the issued share capital during the year, are shown in the Statement of Changes in Equity, on page 41.

There were no share allotments in 2025.

Post Balance Sheet Events

Subsequent to the reporting date management received additional information regarding a credit event and decided not to award a discretionary bonus. These matters are reflected in the financial statements.

Auditors

MHA have indicated their willingness to continue in office and a resolution will be placed before the Board at its next meeting to propose the reappointment of MHA as its statutory auditors for the 2026 financial year.

By order of the Board
For and on behalf of FCMB Bank (UK) Limited

Albert Maasland (Apr 17, 2026 13:52:44 GMT+2)

Albert Maasland
Chairman of the Board
17 April 2026

Independent Auditor's report to the members of FCMB Bank (UK) Limited

For the year ended 31 December 2025

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 FCMB Bank (UK) Limited. For the purposes of the table on pages 30 to 33 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 FCMB 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 the Bank for the year ended 31 December 2025. The financial statements that we have audited comprise:

- the Statement of Comprehensive Income
- the Statement of Financial Position
- the Statement of Changes in Equity
- the Statement of Cash Flows, and
- Notes 1 to 34 of 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 loss 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 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 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 United Kingdom, 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.

Independent Auditor's report to the members of FCMB Bank (UK) Limited

For the year ended 31 December 2025

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

- Considering risks inherent to the Bank's operations and evaluating how those risks might affect the Bank's financial resources or ability to continue operations of the going concern period. In performing this assessment, we considered the business model of the Bank, the regulatory and economic environment in which the Bank operates.
- Making enquiries of management about the assumptions used in their going concern model, including reviewing forecasts and assessing the reasonableness of those assumptions as well as the accuracy of past forecasting.
- Assessing the results of the Bank for the year ended 31 December 2025 and their impact on its capital position.
- Evaluating and challenging the Bank's cashflow and liquidity projection, the base case scenario and stress scenario, and the respective sensitivities performed.
- Evaluating the strategic plans of the Bank, and the supporting financial forecasts including a review of the Bank's latest Internal Capital Adequacy Assessment Process ('ICAAP') and Internal Liquidity Assessment Process ('ILAAP').
- Reading regulatory correspondence, minutes of meetings of the Audit Committee and the Board of Directors and performing post balance sheet events' review to identify events of conditions that may impact the Bank's ability to continue as a going concern.
- Reading and evaluating the adequacy of the disclosures made in the financial statements in relation to going concern.

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 FCMB Bank (UK) Limited

For the year ended 31 December 2025

Overview of our audit approach

Scope

Our overall audit scope was informed by the results of detailed risk assessment at all stages of the audit. This included but not limited to:

- Understanding of the Bank's business model and its operating environment, including the Bank's system of internal control, and assessing the risks of material misstatement in the financial statements.
- Assessing 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.
- Understanding the macroeconomic, geopolitical and the regulatory environment.
- Understanding of key areas of judgement and estimate, that have a material impact on the financial statements and the extent of use of specialists and experts required.

Materiality	**2025**	**2024**	
	$581,000	$583,000	1% (2024: 1%) of net assets

Key audit matters (Recurring)

- Expected Credit Loss Allowance on loans and advances to customers and banks.

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.

Independent Auditor's report to the members of FCMB Bank (UK) Limited

For the year ended 31 December 2025

Expected Credit Loss Allowance on loan and advances to customers and banks (ECL)

Financial Statement Elements

	2025		2024	
	Gross Exposure $'m	ECL $'m	Gross Exposure $'m	ECL $'m
Loans and advances to banks	273.2	(1.0)	223.3	(0.9)
Loans and advances to customers	123.3	(7.5)	89.4	(2.2)

See notes 13, 14 and 24 of the financial statements.

Key audit matter description

The Bank has a portfolio of loans and advances to customers, loans and advances to banks and financial instruments held at FVOCI that are subject to ECL. 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 assumptions that involve significant management estimation and judgement.

The following areas have greater levels of management judgement and estimation involved and are therefore classified as fraud and significant risk areas in the estimation of ECL:

- **Probability of Default (PD") models' estimation** – The multi-factor PD model is considered significant due to the sensitivity and assumptions involved with in the probability of default. The non-financial factors and the country factors are subjective and the internal scorecard uses management 's judgement when setting the credit rating. The default experience is limited and since the external ratings are not available there is subjectivity in determination of PDs.
- **Significant increase in credit risk ("SICR") and Staging** – The Bank has both quantitative and qualitative criteria for SICR. Staging is critical in calculating the overall ECL provision and inappropriate assumptions or incorrect application of the SICR and staging methodology could result in material misstatement.
- **Macroeconomic scenarios ("MES")** – MES is considered significant due to the level of subjectivity and estimation uncertainty involved in the macroeconomic variables and weightages assigned the scenarios. Additionally, the complexity of the Vasicek model applied further increases the risk.

Independent Auditor's report to the members of FCMB Bank (UK) Limited

For the year ended 31 December 2025

	• **Stage 3 individually assessed exposures –** the estimation of ECL for Stage 3 exposures is considered a significant risk due to the materiality of the balances and the high degree of judgment involved in estimating ECL on these balances. The determination of ECL on Stage 3 exposures requires significant judgment to estimate the present value of expected future cashflows which involves: valuation of collateral including any potential haircuts, estimation and timing of future recoveries, the use of multiple scenarios and associated probability weights and the selection of appropriate discount rates.
How the scope of our audit responded to the key audit matter	Our procedures included but were not limited to: *Validation of design, implementation and testing of controls around the ECL model* • We tested the design, implementation and operating effectiveness of the Bank's processes in relation to credit underwriting, monitoring, collections, and provisioning. • Tested the process in place to allocate loans to the respective risk categories ("staging") and the application of the significant increase in credit risk ("SICR") criteria. • Reviewed and tested the design of the ECL model for compliance with IFRS 9 requirements, including IT General Controls and IT Automated Controls relevant to the model. Reviewed the appropriateness of the Bank's impairment policy against the requirements of IFRS 9. We also assessed the appropriateness of the SICR criteria determined by management in relation to loans and advances to customers and banks. *Test of details* • For a sample of exposures, we tested the appropriateness of the staging of the exposure by testing the correct application of SICR criteria. Our work included validating the payment history of the exposure to ensure that the exposure had been correctly classified as either stage 1, 2 or 3. • Evaluated the data quality by agreeing key data points used in the ECL calculation to relevant source systems. • Tested the process of allocation of customer loan repayments and identification of missed payments. Including testing on a sample basis that receipts are allocated to the correct loan accounts and missed payments are identified on a timely basis and appropriately reported. • For sample of exposures, we assessed the appropriateness of the timing of annual loan reviews for the loan portfolio as this process drives the staging and determination of default. • We confirmed that the output of the ECL model, specifically any ECL charge, or reversal was correctly reflected in the general ledger and ultimately the financial statements. *Test of details – Individually assessed exposures*

Independent Auditor's report to the members of FCMB Bank (UK) Limited

For the year ended 31 December 2025

	• We obtained and reviewed management's assessment of the stage 3 exposures, key assumptions and judgements made in arriving at the provision. We challenged management on the basis and timing of recovery. • For a sample of individually assessed stage 3 exposures we reviewed the detailed methodology for identifying and calculating individual impairment provision. We performed a recalculation of the present value of future cashflows for each facility and testing mathematical accuracy of the calculation. • We evaluated the adequacy of the rationale and analysis for significant assumptions used within the stage 3 loans ECL. *Use of modelling and credit experts* • We engaged with and instructed third party modelling and credit risk experts to test the assumptions, inputs and formulae used in relation to models used for computing ECL provision. This included evaluation and challenge of economic scenarios considered by management and comparing these to other scenarios from a variety of external sources. • Performed sensitivity analysis in relation to key management assumptions and judgements to assess the impact of these on the ECL provisions as at year-end. • Tested the appropriateness of the staging of exposures. • Tested the determination of the PD, EAD and LGD used by management in the calculation of ECL. • Tested the completeness of post-model adjustments. • We used internal credit risk audit specialists to evaluate the work performed by the third-party experts. *Disclosures* • We assessed the appropriateness of the disclosures in the financial statements for the year ended 31 December 2025. • We confirmed that the output of the model, specifically any ECL charge, or reversal was correctly reflected in the general ledger and ultimately the financial statements. • We tested the data flows used to populate the disclosures and asses the adequacy of the disclosures for compliance with the accounting standards.
Key observations communicated to the Audit Committee	Based on the audit procedures performed, we found that the assumptions used by management in the impairment assessment and the balance of ECL allowance as at 31 December 2025 are reasonable.

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.

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Materiality in respect of the Bank was set at $581,000 (2024: $583,000) which was determined on the basis of 1% (2024: 1%) of the Bank’s gross assets. This was deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the financial statements with which the users of the financial statements are principally concerned.

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 Company was set at $340,000 (2024: $408,000) which represents 60% (2024: 70%) 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 $29,000 ($ 2024: $29,150) to the Audit 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, lending and customer deposit transactions. We deployed our internal IT audit specialists to obtain an understanding of the general IT environment.

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 relating to management’s assessment and held discussions with management to understand their process for identifying and assessing those risks.

We then engaged internal specialists to assess, amongst other factors, the benchmarks used by management, the nature of the Bank’s business activities, its processes and the geographic distribution of its activities. 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 Company 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

Independent Auditor's report to the members of FCMB Bank (UK) Limited

For the year ended 31 December 2025

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.

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 from 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 directors' responsibilities statement, 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.

Independent Auditor's report to the members of FCMB Bank (UK) Limited

For the year ended 31 December 2025

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.

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, UK tax legislation or those that had a fundamental effect on the operations of the Company including the regulatory and supervisory requirements of the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).
- We enquired of 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

Independent Auditor's report to the members of FCMB Bank (UK) Limited

For the year ended 31 December 2025

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 losses.

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 audit committee meetings, inspection of the complaints register, inspection of legal and regulatory correspondence and correspondences from the regulators Prudential Regulatory Authority and the Financial Conduct Authority;
- 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.
    - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
    - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
    - enquiry of management around actual and potential litigation and claims;
    - challenging the assumptions and judgements made by management in its significant accounting estimates, 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 transactions and 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.

Other requirements

We were first appointed by the Directors on 27 September 2023 to audit the financial statements of the Bank for the year ended 31 December 2023. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 3 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.

Independent Auditor's report to the members of FCMB Bank (UK) Limited

For the year ended 31 December 2025

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.

MOsotov

Mikhail Osotov, FCA
(Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
London, United Kingdom

17 April 2026

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Statement of Comprehensive Income/(Loss)

For the year ended 31 December 2025

	Notes	31 December 2025 $	31 December 2024 $
Interest and similar income	3	34,085,629	36,174,703
Interest and similar expense	4	(18,574,590)	(18,342,203)
Net interest income		15,511,039	17,832,500
Fees and commission income	5	2,698,507	1,755,726
Fees and commission expense	6	(1,108,194)	(809,953)
Net fee and commission income		1,590,313	945,773
Other operating income	7	1,819,183	2,208,661
Impairment charges	24	(5,384,068)	(29,914)
Net operating income		13,536,467	20,957,020
Personnel expenses	8	(12,916,311)	(11,495,240)
Depreciation and amortisation expenses	17/18	(797,249)	(804,587)
General and administrative expenses	9	(4,722,107)	(5,356,176)
Total operating expenses		(18,435,667)	(17,656,003)
Profit/(Loss) before tax		(4,899,200)	3,301,017
Taxation	10	1,222,115	(841,190)
Profit/(Loss) for the year attributable to equity holders		(3,677,085)	2,459,827
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss:			
Net change in fair value of FVOCI investments		360,812	1,464,225
Net amount reclassified to the income statement		(973,472)	1,053,181
Recycling of ECL on sale of FVOCI investments		749,480	(1,011,903)
Other comprehensive income for the year, net of tax		136,820	1,505,503
Total comprehensive income/(loss) for the year attributable to equity holders		(3,540,265)	3,965,330

The income and profit made for all the years presented are from continuing operations.

The accompanying notes on pages 44-92 are an integral part of these Financial Statements.

Statement of Financial Position

As at 31 December 2025

	Notes	31 December 2025 $	31 December 2024 $
ASSETS			
Cash and cash equivalents	12	10,067,514	7,266,626
Loans and advances to banks	13	272,182,290	222,353,776
Loans and advances to customers	14	115,746,735	87,181,343
Investment securities	15	195,435,410	192,066,892
Derivative financial instruments	22	2,970,155	1,432,396
Other assets	16	9,227,109	9,549,976
Property and equipment	17	516,932	950,961
Intangible assets	18	526,698	619,689
Deferred tax asset	10	357,362	-
Total assets		**607,030,205**	**521,421,659**
LIABILITIES			
Deposits from banks	19	308,574,526	281,479,637
Deposits from customers	20	225,771,958	163,679,069
Derivative financial instruments	22	422,687	2,178,822
Other liabilities	21	6,941,662	5,199,571
Subordinated liabilities	29	9,600,000	9,600,000
Deferred tax liability	10	-	24,923
Total liabilities		**551,310,833**	**462,162,022**
EQUITY			
Capital and reserves			
Issued capital	27	53,900,000	53,900,000
Retained earnings		1,818,642	5,495,727
Other reserves		730	(136,090)
Equity attributable to equity holders		**55,719,372**	**59,259,637**
Total equity and liabilities		**607,030,205**	**521,421,659**

There has been a re-classification of accrued interest and some investment securities at the prior year-end have been recategorised as a debtor, details are explained in note 33.

The Financial Statements were approved by the Board of Directors and authorised for issue on 17th April 2026.

By order of the Board
For and on behalf of FCMB Bank (UK) Limited

Albert Maasland (Apr 17, 2026 13:52:44 GMT+2)

Martin Richardson (Apr 17, 2026 13:44:39 GMT+1)

Albert Maasland
Board Chairman
17 April 2026

Martin Richardson
Chief Executive Officer
17 April 2026

The accompanying notes on pages 44-92 are an integral part of these Financial Statements.

Statement of Changes in Equity

As at 31 December 2025

	Issued capital	Retained earnings	Other reserves	Total equity
	$	$	$	$
At 1 January 2025	53,900,000	5,495,727	(136,090)	59,259,637
Loss for the year	-	(3,677,085)	-	(3,677,085)
Other comprehensive income	-	-	136,820	136,820
Total comprehensive income	-	(3,677,085)	136,820	(3,540,265)
At 31 December 2025	**53,900,000**	**1,818,642**	**730**	**55,719,372**

	Issued capital	Retained earnings	Other reserves	Total equity
	$	$	$	$
At 1 January 2024	53,900,000	3,035,900	(1,641,593)	55,294,307
Profit for the year	-	2,459,827	-	2,459,827
Other comprehensive income	-	-	1,505,503	1,505,503
Total comprehensive income	-	2,459,827	1,505,503	3,965,330
At 31 December 2024	**53,900,000**	**5,495,727**	**(136,090)**	**59,259,637**

The accompanying notes on pages 44-92 are an integral part of these Financial Statements.

Statement of Cash Flows

As at 31 December 2025

	Notes	31 December 2025 $	31 December 2024 $
Operating activities			
Profit / (Loss) before tax for the year		(4,899,200)	3,301,017
Fair value adjustments for:			
Depreciation and amortisation	17/18	797,249	804,587
Changes to ROU asset, Interest & lease liability	17	3,130	(831,690)
Impairment charge on financial assets	24	5,384,068	(1,023,267)
(Net gain)/Loss on investment activities		898,826	-
Effect of currency translation on cash and cash equivalents		(670,243)	(7,410)
		1,513,830	2,243,237
Changes in operating assets and liabilities			
Net (increase) in loans and advances to banks		(49,909,448)	(42,672,236)
Net (increase) in loans and advances to customers		(33,865,933)	(12,690,172)
Net decrease/(increase) in derivative FIs		(3,293,894)	1,295,271
Net (increase)/decrease in other assets		40,077	(3,540,375)
Net increase/(decrease) in deposits from banks		27,094,889	49,390,254
Net increase/(decrease) in deposits from customers		62,092,889	8,347,473
Net increase/(decrease) in other liabilities		2,191,933	(2,333,727)
Taxation Paid		(282,719)	(609,062)
		4,067,794	4,268,176
Net cash flows from operating activities		**5,581,624**	**6,511,413**
Investing activities			
Acquisition of investment securities		(1,781,759,737)	(1,560,609,502)
Disposal of investment securities		1,779,031,267	1,554,782,227
Purchases of property and equipment	17	(102,864)	(201,207)
Purchases of intangible assets	18	(167,364)	(321,532)
Net cash flows from investing activities		**(2,998,699)**	**(6,350,014)**
Financing activities			
Issuance of own shares	27	-	-
Payments made for lease liability	28	(452,280)	(400,724)
Net cash flows from financing activities		**(452,280)**	**(400,724)**
Net (decrease) / increase in cash and cash equivalents		**2,130,645**	**(239,325)**
Cash and cash equivalents at 1 January		7,266,626	7,498,541
Effect of currency translation on cash and cash equivalents		670,243	7,410

Statement of Cash Flows

As at 31 December 2025

	Notes	31 December 2025 $	31 December 2024 $
Cash and cash equivalents at 31 December	12	**10,067,514**	**7,266,626**

Included in the above cashflow statement interest received was $36.088m (2024: $33.465m) and interest paid was $$16.803m (2024: $17.029m).

The accompanying notes on pages 44-92 are an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 31 December 2025

1. Corporate information

FCMB Bank (UK) Limited is a private limited company incorporated and registered in England and Wales under the Companies Act 2006 and is domiciled in the United Kingdom and its registered address is 81 Gracechurch Street, London, EC3V 0AU, UK.

The Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the PRA to conduct banking activities.

The principal activities of the Bank include trade finance, deposit taking, corporate banking, buy to let loans, and treasury operations. The Bank's activities focus on Sub-Saharan Africa with a particular emphasis on Nigeria and other markets in Asia, UK and other European geographies.

2. Material Accounting Policies

2.1. Basis of preparation

(i) Statement of compliance

The financial statements have been prepared in accordance with UK adopted international accounting standards (International Financial Reporting Standards) in conformity with the requirements of the Companies Act 2006.

(ii) Basis of measurement

The financial statements have been prepared on the historical cost basis except for investment securities and derivative financial instruments which have been measured at fair value with changes in fair value recorded through profit and loss and other comprehensive income as required.

(iii) Going concern

The Bank's Directors have made an assessment of the Bank's ability to continue as a going concern as described in the Directors' Report and are satisfied that it has the adequate resources to continue in business for the foreseeable future, and for a period of at least 12 months from the approval date of the financial statements.

(iv) Presentation of Financial Statements

The Bank presents its Statement of Financial Position in order of liquidity. An analysis regarding recovery or settlement of its financial assets and liabilities within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 25.

(v) Functional and presentational currency

The financial statements are presented in US Dollars. The Bank's functional currency is also the US Dollar as the cashflows of the contracts entered into are predominantly in US Dollars.

(vi) Use of estimates and judgments

The preparation of the financial statements in conformity with UK adopted international accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Notes to the Financial Statements

for the year ended 31 December 2025

2. Accounting policies (Continued)

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 2.20.

2.2. Foreign currency transactions and balances

Transactions in foreign currencies are translated into the functional currency of the Bank at the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at each reporting date are translated into the functional currency at the spot exchange rates as at that date. The foreign currency gain or loss is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in profit or loss within other operating income / expenses.

The dollar sterling exchange rate used at 31st December 2025 was 1.3467 (2024: 1.2548). The average dollar sterling exchange rate for 2025 was 1.3178 (2024: 1.2785).

2.3. Interest and similar income and expense

Interest income and expense are recognised in profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, the next repricing date) to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses. The effective interest rate is applied to the gross carrying amount of an asset to calculate interest income for performing assets and applied to amortised cost to calculate interest income for non-performing assets.

The calculation of the effective interest rate includes contractual fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability. The effective interest rate method is used for financial assets and financial liabilities measured at amortised cost, and financial assets measured at FVOCI assets. Income is deferred if the performance obligation has not been fully satisfied or if management assess that there is a possibility of the income not being received.

Interest income and expense presented in the statement of comprehensive income includes interest on financial assets and liabilities measured at amortised cost calculated on an effective interest rate basis.

Notes to the Financial Statements

for the year ended 31 December 2025

2. Accounting policies (Continued)

2.4. Fee and commission income and expense

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate which is used in the computation of interest income and expense. Other fees and commission income including loan account servicing fees, placement fees, syndication fees and management fees, are recognised as the related services are performed, in accordance with IFRS 15. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period otherwise they are considered an integral component of the effective interest.

Representative office fees, in relation to the support of group business opportunities, are recognised as the services are performed and as such are accrued for monthly and invoiced on a quarterly basis in accordance with a management services agreement, in accordance with IFRS 15.

Fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

2.5. Other Operating Income

Where contractual arrangements are entered into and subsequently an opportunity to sell a position resulting in the de-recognition of a financial asset any resultant realised gains are recognised in other operating income, specifically within other income or gain on trade finance assets. Digital banking expense recovery, which represents recharges of expenses incurred by the Bank in relation to the development of the ROVA application in conjunction with the Parent, is included within other operating income and the underlying expense is recognised within operating expenses.

2.6. Financial instruments – initial recognition and subsequent measurement

(i) Initial recognition

All financial assets and liabilities are initially recognised on the trade date; this being the date that the Bank becomes a party to the contractual provisions of the instrument.

All financial instruments are initially recognised at fair value plus, in the case of financial assets and financial liabilities not held at fair value through profit or loss, directly attributable transaction costs.

(ii) Classification

Financial assets

The classification of financial instruments depends on the purpose and management's intention for which the financial instruments were acquired and their characteristics. The Bank classifies its financial assets in one of the following categories:

- Amortised cost
- Fair value through profit or loss
- Fair value through other comprehensive income

Financial liabilities

The Bank classifies its financial liabilities, other than derivative financial instruments, financial guarantees and loan commitments, as measured at amortised cost.

Notes to the Financial Statements

for the year ended 31 December 2025

2. Accounting policies (Continued)

(iii) Financial assets classified as amortised cost

Amortised cost financial instruments are non-derivative financial assets held within a business model, whose objective is to collect contractual cash flows, on specified dates, that are solely payments of principal and interest on the principal amount outstanding.

Such financial instruments are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the financial asset.

Financial assets classified as amortised cost are cash and cash equivalents, loans and advances to banks and loans and advances to customers.

(iv) Financial assets classified as fair value through other comprehensive income "FVOCI"

FVOCI financial assets are those non-derivative financial assets held within a business model, whose objectives are both to sell the financial assets and to collect contractual cash flows, on specified dates, that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured at fair value. The net changes in fair value are recognised directly in other comprehensive income. The following are recognised in profit and loss:

(a) Interest, calculated using the effective interest method;

(b) Impairment losses; and

(c) Foreign exchange gains and losses on monetary financial assets.

When the asset is disposed of, the cumulative gain or loss previously recognised in other reserve is transferred into the profit and loss within other operating income and included within the statement of comprehensive income.

Government bonds and bank bonds, held as part of the HQLA portfolio are classified as FVOCI.

(v) Financial assets classified as Fair value though profit or loss "FVTPL"

FVTPL financial assets are derivative or non-derivative financial assets that are not measured at amortised cost or not classified as FVOCI or that are irrevocably designated as measured at fair value through profit or loss.

FVTPL assets are measured at fair value. The changes in fair value are recognised directly in profit or loss. The changes in fair value for Fund Investments represent the returns on the investments which are received on a monthly basis and are included within interest income. The changes in fair value for Fund Investments Other are included within other operating income.

Fund Investments, which are part of investment securities, are classified as FVTPL.

(vi) Financial liabilities classified as amortised cost

The Bank classifies all financial liabilities, other than those classified as FVTPL, at amortised cost. Financial liabilities measured at amortised cost are initially recognised at fair value, net of directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis. Financial liabilities classified as amortised cost include deposits from banks and customers and subordinated liabilities. The subordinated liabilities are all fixed rate subordinated notes.

Notes to the Financial Statements

for the year ended 31 December 2025

2. Accounting policies (Continued)

(vii) Financial liabilities classified as fair value through profit or loss "FVTPL"

FVTPL financial liabilities are measured at fair value. The changes in fair value are recognised directly in profit or loss and shown in other operating expenses. Derivative financial instruments are classified as FVTPL.

(viii) Financial guarantee contracts and loan commitments

Financial guarantee contracts and loan commitments are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance: and
- The amount initially recognised, less income recognised in accordance with the principles of IFRS 15.

(ix) Derivative financial instruments

The Bank uses forward foreign exchange products for foreign exchange risk management purposes. This is an economic hedge and hedge accounting is not applied. Further details of derivative financial instruments are included in note 22 to the financial statements.

(x) Offsetting

Derivative financial instruments are offset, and the net amount of each contract is presented in the statement of financial position as the Bank has the contractual right to set off the amounts and intends to settle them on a net basis.

2.7. Identification and measurement of impairment

IFRS 9 uses an expected credit loss ("ECL") approach which applies to all financial assets measured at amortised cost, off-balance sheet loan commitments and guarantees, and financial instruments valued at FVOCI.

(i) Assets carried at amortised cost

The amount of the loss is measured as the change in the expected credit loss calculated on either a 12 month or lifetime basis, depending on the stage classification of the instruments, which is an assessment of the potential exposure at default for every given future period, as a function of its probability of default and loss given default discounted at the financial asset's original effective interest rate. Further details are provided in note 2.20. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

When a loan is uncollectible, it is written off against the related loan impairment allowance. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances are included in the statement of comprehensive income as impairment charges. There have been no loans written off in the year.

(ii) Assets classified as FVOCI

Debt instruments classified as FVOCI are assessed for impairment in the same manner as assets carried at amortised cost with the movement in ECL provision recognised as impairment charge in other comprehensive income. The movement in ECL provision does not reduce the carrying amount of the financial asset as this is subsumed within the net changes of the fair value of the assets.

Notes to the Financial Statements

for the year ended 31 December 2025

2. Accounting policies (Continued)

2.8. Derecognition of financial assets and financial liabilities

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
    - The Bank has transferred substantially all the risks and rewards of the asset or
    - The Bank has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in the asset. In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expired. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

2.9. Modifications

The Bank may renegotiate or modify the contractual cash flows of a transaction. If this happens, the Bank assesses whether or not the new terms are substantially different to the original terms.

If the terms are substantially different, the Bank derecognises the original financial asset or financial liability and recognises a new transaction. The date of renegotiation is consequently considered to be the initial recognition for impairment calculation purposes. A modification is considered material if there are changes to factors of the transaction such as: the currency denomination; maturity date; fixed / floating interest rate, and principal / interest only repayments.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows using the EIR method.

2.10. Financial guarantees

In the ordinary course of business, the Bank gives financial guarantees, consisting of letters of credit, guarantees, commitments and acceptances.

These are initially recognised at fair value and subsequently at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative income recognised in accordance with the principles of IFRS 15.

Notes to the Financial Statements

for the year ended 31 December 2025

2. Accounting policies (Continued)

2.11. Cash and cash equivalents

Cash and cash equivalents include cash in hand, unrestricted balances held with other banks and highly liquid financial assets with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

2.12. Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment and are recognised net in profit or loss. The gain or loss arising from the derecognition of an item of property, plant and equipment shall be included in profit or loss when the item is derecognised.

The assets' carrying values and useful lives are reviewed at each date of the statement of financial position. Assets are impaired whenever events or changes in circumstances indicate that the carrying amount is less than the recoverable amount.

(ii) Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

The estimated useful lives for the current and comparative periods of significant items of property and equipment are as follows:

- Leasehold improvements - over the term of the lease
- Fixtures and fittings - 5 years
- Computer equipment - 4 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

Notes to the Financial Statements

for the year ended 31 December 2025

2. Accounting policies (Continued)

2.13. Intangible assets

An intangible asset shall be recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Intangible assets acquired are stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straight-line basis to allocate the cost of the intangible assets over their estimated useful lives. Intangible assets comprise of computer software.

An intangible asset shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognised in profit or loss when the asset is derecognised.

Software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Separately acquired software licenses are measured at cost, less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straight-line basis to allocate the cost of software over their estimated useful lives of 4 years.

2.14. Impairment of non–financial assets

The Bank's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of assets (other than goodwill), impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.15. Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use, and each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant rate of interest on the remaining balance for the liability for each period. The right-of-use asset, shown within property and equipment on the statement of financial position, is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Notes to the Financial Statements

for the year ended 31 December 2025

2. Accounting policies (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be determined, the Bank's incremental borrowing rate (i.e. the rate that the Bank would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions) is used.

The right-of-use assets are initially measured at cost and subsequently measured applying the cost model, i.e. cost less accumulated depreciation and impairment losses. The cost comprises of the following:

a. The initial measurement of lease liability;

b. Lease payments made at or before the commencement date (less lease incentives received);

c. Initial direct costs; and

d. Restoration costs.

2.16. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

2.17. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which it can be utilised. Deferred tax 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.

2.18. Changes in accounting policy

The adoption of the following mentioned standards, amendments and interpretations in the current year has not had a material impact on the Bank's financial statements.

- *Lack of Exchangeability - Amendments to IAS 21 The effects of changes in foreign exchange rates (effective date 1 January 2025).*

Notes to the Financial Statements

for the year ended 31 December 2025

2. Accounting policies (Continued)

2.19. Standards, Amendments and Interpretations in issue but not yet effective

Certain new standards, amendments and interpretations have been issued by the IASB that are not yet effective for these financial statements.

The Bank has not adopted any of these standards, amendments or interpretations early, and does not intend to adopt any before their mandatory effective date.

The adoption of the below mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Bank's financial statements.

- *Amendments to IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial instruments (effective date 1 January 2026) The amendments specify:*
  When financial liability, settled using an electronic payment system can be deemed to be discharged before the settlement date.
  How to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs.
  New or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.
- *IFRS 18 – Presentation and disclosure in financial statements (effective 1 January 2027), Disclosures about management defined performance measures, principles around aggregation and disaggregation of items.*
- *IFRS 19 Subsidiaries without public accountability: reduced Disclosures requirements for eligible subsidiaries (effective 1 January 2027)*
- *Annual improvements to IFRS Accounting standards (effective 1 January 2026)*
  IFRS 7 Financial instruments Disclosures – Gain or loss on derecognition, and guidance on implementing disclosures (Amendments on disclosure of deferred difference between fair value and transaction price, and credit risk disclosures).
  IFRS 9 Financial instruments – Amendments on derecognition of lease liabilities and Transaction price
  IAS 7 Statement of cashflows – Cost method amendments.

Notes to the Financial Statements

for the year ended 31 December 2025

2. Accounting policies (Continued)

2.20. Significant accounting estimates and judgements

In the process of applying the Bank's accounting policies to prepare the Financial Statements, management has used judgements, estimates and assumptions in determining the amounts recognised and disclosed. Management has based these judgements, estimates and assumptions on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Bank. These judgements, estimates and assumptions are adjusted in the normal course of business to reflect changing underlying conditions. The policies discussed below are considered to be particularly important to the presentation of the Bank's financial position because changes in the judgements, estimates and assumptions could have a material impact on the Bank's financial statements.

The measurement of the Bank's Expected Credit Loss ("ECL") uses the following statistical parameters that are modelled individually for various categories of borrowers:

1. PD – the probability of default is an assessment of the borrower's ability and willingness to service debt
2. EAD – the exposure at default is an estimate of the Bank's exposure should a borrower default
3. LGD – The loss given default is an estimate of the loss arising on default based on the difference between contractual and expected cash flows expressed as a percentage of the EAD

The calculation of the Bank's ECL allowances and provisions against loans, investments, and commitments under IFRS 9 requires the Bank to make a number of judgements, assumptions and estimates. The most significant are set out below:

1. Definition of default

The Bank considers a financial asset to be in default when the contractual repayments are more than 90 days past due. Loans considered 'unlikely to pay' are judgemental and also classified as in default.

The reason for these definitions is due to management's experience of the Bank's operating environment and transactions.

2. Significant increase in credit risk ("SICR")

The assessment of SICR of a financial asset considers borrower-specific quantitative and qualitative information without consideration of collateral and the impact of forward-looking information such as macroeconomic forecasts, conduct, nature, and maturity profile of exposures. Quantitative models may not always be able to capture all reasonable and supportable information that may indicate a significant increase. Qualitative and judgemental factors are therefore included to supplement the gap.

The Bank considers different indicators to identify a SICR including: quantitative factors such as 2 notch rating downgrades compared to initial rating and additional qualitative indicators such as disclosure quality, previous arrears, changes in collateral value, concerns over operating environment, and management team issues.

Notes to the Financial Statements

for the year ended 31 December 2025

2. Accounting policies (Continued)

3. Forward-looking macroeconomic scenarios

The measurement of ECL under IFRS9 requires the Bank to consider the risk of default and impairment loss taking note of expectations in economic changes that are reasonable. The Bank uses an ECL model to reflect an unbiased probability-weighted range of possible future default outcomes.

The Bank models four alternative scenarios in addition to the base scenario. The four scenarios are summarised as follows:

- Upside a decrease in the point-in-time PDs of 50% compared to the base scenario
- Downside an increase in the point-in-time PDs of 50% compared to the base scenario
- Low GDP growth replicating the fall in GDP seen in 2020 simulating a deep global recession.
- Current account deficit case targeting Nigeria, this replicates the shift seen in 2020 resulting from a significant drop in oil income.

Notes to the Financial Statements

for the year ended 31 December 2025

2. Accounting policies (Continued)

The final ECL calculation uses the weighted averages. The table below shows the range of outcomes in ECL under these scenarios if only the scenario was included. The actual ECL includes individually assessed loans based on the unique factors impacting that loan.

Scenario	Expected Credit Loss US$	Weighting Nigeria	Weighting Rest of World
Upside	5,420,920	15%	15%
Base case	5,955,287	65%	65%
Downside	6,747,621	10%	10%
Low GDP case	7,374,704	5%	10%
Current account deficit case	6,172,093	5%	0%
2025 Actual ECL	**9,132,227**		

The Bank references a number of macro-economic factors in the forward-looking element of the ECL calculation. These include the following:

Segment	Macro-economic variables
Nigeria market	Growth of real capital stock, Nigeria GDP growth rate, Oil Price Change, Nigeria Current Account Surplus/Deficit percentage of GDP
Emerging market	General government revenue/GDP, 2-year average change in Commodity Industrial Inputs Price Index, Emerging Market GDP growth rate
Global market	Change in Commodity Industrial Inputs Price Index; Investment percentage change in GDP (2-year average); Global GDP growth rate

The Bank continues to review the model for the calculation of its ECL in light of the model's performance, taking account of market developments and best practice and guidance issued by the PRA. It does this with the assistance of an external subject matter consultant. Changes to the model are tested, and the basis was discussed and challenged within the Bank's credit function, with oversight and guidance from its Management and Board Credit Committees and Board Audit Committee as well as periodic Independent Review from within the Risk Function.

The Directors have concluded that the revised model is fit for purpose, with an ECL that prudently reflects the Bank's credit risk.

An entity must determine whether a financial asset is in one of three stages in order to determine the ECL:

- Stage 1: where the credit risk has not increased significantly since initial recognition. For financial assets in stage 1, entities are required to recognise 12-month ECL.
- Stage 2: where the credit risk has increased significantly since initial recognition. For financial assets in stage 2, entities are required to recognise lifetime ECL.
- Stage 3: where the financial asset is credit impaired. In this case specific scenarios are assessed based on management' s assessment of the facts and circumstances of the exposures in order to calculate the ECL.

Post model adjustments (PMAs): The Bank has adopted the definition of PMAs as included in the Taskforce on Disclosures about Expected Credit Losses (DECL) report issued in September 2022.

Notes to the Financial Statements

for the year ended 31 December 2025

2. Accounting policies (Continued)

Below is a summary of the Banks' total ECL numbers showing the portion relating to individually assessed provisions which were applied to stage 3 loans in 2025. There was no PMAs in 2025 or 2024 and all stage 1 and stage 2 provisions are based on the modelled output.

	2025 Stage 3	**2024 Stage 3**
Modelled ECL provision	4,386,401	1,582,180
Post model adjustments	-	-
Individual assessed assumptions	2,515,892	125,341
Final ECL provision	6,902,293	1,707,521

There were three individually assessed provisions in 2025. These are detailed below.

One stage 3 loan of $7.08m with a ECL of $5.28m at year end. The ECL was updated to include estimates for the value of land and machinery based on information provided by the administrators, as well as administration costs and estimates for preferred creditors with a 5% discount for the time value of money for the proceeds to be recovered.

One stage 3 loan of $4.47m with a ECL of $1.51m at year end. The agreement in principle for the restructure is still in progress, but the discounted cash flows were updated based on a more recent schedule from the lawyers dealing with the transaction restructure.

A final Stage 3 loan of $148k with an ECL of $29.5k was adjusted due to consideration of the wider client facility and security provided.

3. Interest and similar income

	31 December 2025 $	**31 December 2024 $**
Cash and cash equivalents	11,003	25,446
Loans and advances to banks		
Treasury Lending	59,370	15,647
Syndicated lending	3,187,365	3,390,983
Discounted bills	7,649,678	5,471,885
Refinancing under letters of credit	5,385,311	9,053,032
Overdraft interest	2,566,161	1,534,313
Loans and advances to customers		
Retail lending	1,551,418	1,269,047
Corporate lending	1,932,353	2,122,136
Specialised lending	2,780,801	1,806,611
Syndicated lending	1,892,143	2,031,355
Overdraft interest	253,568	227,765
Other interest	12,369	3,251
Investments		
Government bonds	118,003	292,060
Bank bonds	306,095	1,110,014
Fund Investments - Government	6,379,991	7,821,158
	34,085,629	36,174,703

Calculated at effective interest method for financial assets measured at amortised cost or fair value through profit or loss.

Notes to the Financial Statements

for the year ended 31 December 2025

4. Interest and similar expense

	31 December 2025	31 December 2024
	$	$
Deposits from banks	9,704,795	10,156,063
Deposits from customers	8,869,795	8,186,140
	18,574,590	18,342,203

Interest expense calculated at effective interest method for financial liabilities that are not at fair value through profit or loss.

5. Fees and commission income

	31 December 2025	31 December 2024
	$	$
Retail	45,876	78,088
Corporate banking	73,525	266,813
Trade services	2,379,106	1,210,825
Representative office	200,000	200,000
	2,698,507	1,755,726

Financial assets measured at amortised cost.

6. Fees and commission expense

	31 December 2025	31 December 2024
	$	$
Bank charges	333,374	284,746
Fees paid to deposit aggregators	238,779	236,975
Other fees and commissions	536,041	288,232
	1,108,194	809,953

Financial liabilities that are not at fair value through profit or loss.

Notes to the Financial Statements

for the year ended 31 December 2025

7. Other operating income

	31 December 2025 $	31 December 2024 $
Digital banking expense recovery	912,375	1,505,084
Gain on trade finance assets	384,287	1,017,727
Movement in FVTPL on Fund Investments	(1,069,570)	(530,785)
Gain / (Loss) on sale of Financial Investments	(282,253)	69,446
FX gains	1,874,344	147,189
	1,819,183	2,208,661

The Digital banking expense recovery is the recharge of expenses incurred by the Bank in developing the borderless banking application and is recognised in the period to which the expense relates.

8. Personnel expenses

	31 December 2025 $	31 December 2024 $
Employee costs		
Wages and salaries	9,334,203	8,544,102
Pensions	82,032	67,537
Social security costs	1,262,069	1,069,529
Other staff costs	2,238,007	1,814,072
	12,916,311	11,495 ,240

The average number of employees including directors in the year was 70 (2024: 70).

	31 December 2025 No.	31 December 2024 No.
Non-management	54	51
Management	16	19
	70	70

	31 December 2025 $	31 December 2024 $
Directors' remuneration		
Emoluments	1,333,779	1,672,047
Pension contributions	981	1,531
	1,334,759	1,673,578

The highest paid director received remuneration of $816,960 (2024: $534,851) and made contributions of $736, (2024: $1,531) under a defined contribution scheme.

Notes to the Financial Statements

for the year ended 31 December 2025

9. Profit before tax

	Note	31 December 2025 $	31 December 2024 $
Profit before tax is stated after charging/(crediting):			
Foreign exchange gains		(1,874,344)	(147,189)
Amortisation of intangibles	18	260,354	242,313
Depreciation of property and equipment	17	536,894	562,274
Auditor's remuneration - audit and audit related fees		595,377	562,917
Auditor's remuneration – non-audit fees		-	6,393

9.1. General and administrative expenses

	31 December 2025 $	31 December 2024 $
Professional	1,706,503	2,071,270
Computer and equipment	1,822,210	2190,248
Travel and entertainment	241,744	267,378
Other	951,650	827,280
	4,722,107	5,356,176

10. Corporation Tax

The current tax credit is $794,467 (2024: $751,085 tax charge), with a deferred tax credit in the income statement in 2025 of $427,648 (2024: $90,105), resulting in a total tax credit to the income statement in 2025 of $1,222,115 (2024: $841,190 tax charge).

	31 December 2025 $	31 December 2024 $
Profit on ordinary activities before taxation	(4,899,200)	3,301,017
Profit/(Loss) on ordinary activities multiplied by the UK corporation tax rate of 25.00% (rounded effective rate) (2024: 25.00%)	(1,225,043)	825,254
Effects of:		
Fixed asset differences	11,624	20,583
Expenses not deductible for tax purposes	22,323	7,843
Other tax adjustments	(31,019)	(12,490)
Actual total tax charge / (credit)	(1,222,115)	841,190

Factors that may affect future tax charges:

The Directors have recognised a net deferred tax asset of $357,362 (2024 deferred liability: $24,923) including an amount of $418,592 representing losses which can be offset against tax on future taxable profits. The Use of this tax asset is based on future taxable profits and could change due to changes in tax law or regulation, and changes in business model and future profits. Trading losses carried forward are $1,674,368 (2024 $0).

Notes to the Financial Statements

for the year ended 31 December 2025

10. Corporation Tax (continued)

The table below shows the deferred tax movement.

	Property & Equipment	Expenses & Provisions	Changes in fair value of FVOCI assets	Unused Tax Losses	Total
	$	$	$	$	$
Movement in deferred tax/ liability					
At 01 January 2025	89,297	(19,011)	(45,363)	-	24,923
Charge to Income Statement	(15,394)	6,338	-	(418,592)	(427,648)
(Credit) to other comprehensive income	-	-	45,363	-	45,363
At 31 December 2025	73,903	(12,673)	-	(418,592)	(357,362)

	Property & Equipment	Expenses & Provisions	FVOCI Movements	Total
	$	$	$	$
Movement in deferred tax				
At 01 January 2024	9,087	(28,906)	-	(19,819)
Charge / (credit) to Income Statement	80,210	9,895	-	90,105
(Credit) to other comprehensive income	-	-	(45,363)	(45,363)
At 31 December 2024	89,297	(19,011)	(45,363)	24,923

11. Dividends paid and proposed

During the year no dividends were paid or proposed (2024: $nil).

12. Cash and cash equivalents

	31 December 2025	31 December 2024
	$	$
Cash on hand	82	76
Deposits with Group companies	366	343
Deposits with banks	10,067,357	7,266,427
	10,067,805	7,266,846
Less: Allowance for impairment losses (Note 24)	(291)	(220)
	10,067,514	7,266,626

Notes to the Financial Statements

for the year ended 31 December 2025

13. Loans and advances to banks

	31 December 2025 $	31 December 2024 $
Syndicated lending	34,934,580	46,843,362
Discounted bills	134,574,247	54,684,943
Refinancing under letters of credit	74,456,269	96,902,237
Overdrafts	28,957,396	24,875,872
Specialised Lending	294,017	-
	273,216,509	223,306,414
Less: Allowance for impairment losses (Note 24)	(1,034,219)	(952,638)
	272,182,290	222,353,776

14. Loans and advances to customers

	31 December 2025 $	31 December 2024 $
Retail lending	19,554,492	10,005,525
Corporate lending	24,106,853	17,017,716
Governments	32,275,791	20,316,883
Specialised lending	35,363,629	24,159,398
Syndicated lending	-	11,648,876
Overdrafts	12,012,990	6,300,071
	123,313,755	89,448,469
Less: Allowance for impairment losses (Note 24)	(7,567,020)	(2,267,126)
	115,746,735	87,181,343

15. Investment securities

	31 December 2025 $	31 December 2024 $
Fair value through other comprehensive income (FVOCI)		
Government Bonds	-	5,775,159
Bank bonds	-	15,463,984
HQLA Investments	5,110,015	20,071,553
	5,110,015	41,310,696
Fair value through profit or loss (FVTPL)		
Fund Investments - Government	188,571,800	147,574,098
Fund Investments - Other	1,753,595	3,182,098
	190,325,395	150,756,196
Total investment securities	195,435,410	192,066,892

HQLA Investments are high quality liquid assets and include US Treasury bills and bonds issued by International Bank of Restructuring and Development (IBRD). The allowance for impairment losses relating to FVOCI investments is classified within other reserves as ECL is presumed to form part of the fair value of the assets and therefore does not reduce the carrying amount of the asset. Other Fund Investments relate to units in a property development fund.

Notes to the Financial Statements

for the year ended 31 December 2025

16. Other assets

	31 December 2025 $	31 December 2024 $
Financial assets		
Accrued income	176,799	201,071
Other debtors	7,953,038	6,880,730
Margin call cash collateral for Derivative FIs	260,000	1,910,000
	8,389,837	8,991,801
Non-financial assets		
Prepayments	837,272	558,175
Total other assets	9,227,109	9,549,976

The Bank receives and provides margin deposits as collateral for outstanding derivative positions. The Bank or the counterparty may set off this margin held against any outstanding positions in the case of default.

17. Property and equipment

	Leasehold improvements $	Fixtures and fittings $	Computer equipment $	Right of use assets $	Total $
Cost					
As at 01 January 2025	549,887	369,616	631,203	772,961	2,323,667
Additions in the year	-	21,279	81,586	-	102,865
Disposals in the year	-	-	-	-	-
As at 31 December 2025	549,887	390,895	712,789	772,961	2,426,532
Accumulated depreciation					
As at 01 January 2025	456,342	302,169	441,338	172,857	1,372,706
Charge for year	46,666	22,371	81,377	386,480	536,894
Depreciation on Disposals	-	-	-	-	-
As at 31 December 2025	503,008	324,540	522,715	559,337	1,909,600
Carrying amount					
As at 31 December 2024	93,545	67,447	189,865	600,104	950,961
As at 31 December 2025	46,879	66,355	190,074	213,624	516,932

Notes to the Financial Statements

for the year ended 31 December 2025

17. Property and equipment (continued)

	Leasehold improvements	Fixtures and fittings	Computer equipment	Right of use assets	Total
	$	$	$	$	$
Cost					
As at 01 January 2024	551,707	303,068	496,544	413,147	1,764,466
Additions in the year	58,729	66,548	134,659	772,961	1,032,897
Disposals in the year	(60,549)	-	-	(413,147)	(473,696)
As at 31 December 2024	549,887	369,616	631,203	772,961	2,323,667
Accumulated depreciation					
As at 01 January 2024	427,295	288,570	382,347	185,916	1,284,128
Charge for year	89,596	13,599	58,991	400,088	562,274
Depreciation on Disposals	(60,549)	-	-	(413,147)	(473,696)
As at 31 December 2024	456,342	302,169	441,338	172,857	1,372,706
Carrying amount					
As at 31 December 2023	124,412	14,498	114,197	227,231	480,338
As at 31 December 2024	93,545	67,447	189,865	600,104	950,961

There have been no indicators of impairment identified during the current or prior financial years.

Notes to the Financial Statements

for the year ended 31 December 2025

18. Intangible assets

	Computer software $
Cost	
As at 01 January 2025	2,343,601
Additions in the year	167,364
As at 31 December 2025	2,510,965
Accumulated amortisation	
As at 01 January 2025	1,723,912
Charge for year	260,355
As at 31 December 2025	1,984,267
Carrying amount	
As at 31 December 2025	526,698
As at 31 December 2024	619,689

	Computer software $
Cost	
As at 01 January 2024	2,022,069
Additions in the year	321,532
As at 31 December 2024	2,343,601
Accumulated amortisation	
As at 01 January 2024	1,481,599
Charge for year	242,313
As at 31 December 2024	1,723,912
Carrying amount	
As at 31 December 2024	619,689
As at 31 December 2023	540,470

Notes to the Financial Statements

for the year ended 31 December 2025

19. Deposits from banks

	Note	31 December 2025 $	31 December 2024 $
Deposits from related parties	30	70,099,209	67,253,738
Deposits from Central Bank		190,264,706	173,027,067
Deposits from other banks		48,210,611	41,198,832
		308,574,526	281,479,637

20. Deposits from customers

	Note	31 December 2025 $	31 December 2024 $
Deposit aggregators		178,363,336	114,677,723
Deposits from corporates		27,431,844	31,293,359
Deposits from related parties	30	5,328,105	4,979,256
Deposits from individuals		14,648,673	12,728,731
		225,771,958	163,679,069

21. Other liabilities

	31 December 2025 $	31 December 2024 $
Financial liabilities		
Accruals	904,982	1,911,689
Trade creditors	1,272,349	686,777
Other taxation and social security	366,873	325,492
Margin Call	2,468,797	759,609
Non-financial liabilities		
Allowance for impairment losses on credit commitments	24,144	21,706
Dilapidation provisions (see note 23)	65,734	58,332
Lease liability (see note 29.1)	107,976	496,755
Deferred Income	1,730,807	939,211
	6,941,662	5,199,571
Off-Balance Sheet exposure	38,893,757	52,466,215

Notes to the Financial Statements

for the year ended 31 December 2025

22. Derivative financial instruments

	31 December 2025 $	31 December 2024 $
Forward foreign exchange contracts		
Receivable	2,970,155	1,432,396
Payable	(422,687)	(2,178,822)
	2,547,468	(746,426)

Derivative financial instruments consist of short-term foreign exchange contracts. These are held for day-to-day cash management rather than for trading purposes and are held at fair value. All derivative contracts open at the year-end have intended settlement dates within twelve months. All derivative financial instruments are considered to be level two and are priced with reference to observable market data including prices from exchanges. The net fair values of the foreign exchange contracts are reflected in the table above. The gross fair values of the foreign exchange contracts are disclosed in the foreign exchange risk note 24.4.

23. Dilapidation provisions

	31 December 2025 $	31 December 2024 $
Dilapidation provision		
At 1 January	58,332	61,692
(Decrease) / Increase	3,130	(2,432)
Foreign exchange movement	4,272	(928)
	65,734	58,332

The dilapidation provision is linked to the lease of the Bank's only UK office at 81 Gracechurch Street, London, and therefore the expected timing of the resulting outflows of economic benefits is in 2026. The expected economic outflow is stated above.

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management

24.1. Instruments by Accounting Treatment

	Note	FVTPL	FVOCI	Amortised cost	Total
			31 December 2025		
Financial assets					
Cash and cash equivalents	12	-	-	10,067,514	10,067,514
Loans and advances to banks	13	-	-	272,181,643	272,181,643
Loans and advances to customers	14	-	-	115,747,382	115,747,382
Investment securities	15	190,325,395	5,110,015	-	195,435,410
Derivative financial instruments	22	2,970,155	-	-	2,970,155
Other assets	16	-	-	8,389,837	8,389,837
		193,295,550	**5,110,015**	**406,386,376**	**604,791,941**
Financial liabilities					
Deposits from banks	19	-	-	308,574,526	308,574,526
Deposits from customers	20	-	-	225,771,958	225,771,958
Derivative financial instruments	22	422,687	-		422,687
Subordinated liabilities	29	-	-	9,600,000	9,600,000
Other liabilities	21	-	-	5,013,001	5,013,001
		422,687	**-**	**548,959,485**	**549,382,172**

	Note	FVTPL	FVOCI	Amortised cost	Total
			31 December 2024		
Financial assets					
Cash and cash equivalents	12	-	-	7,266,626	7,266,626
Loans and advances to banks	13	-	-	222,353,776	222,353,776
Loans and advances to customers	14	-	-	87,181,343	87,181,343
Investment securities	15	150,756,196	41,310,696	-	192,066,892
Derivative financial instruments	22	1,432,396	-	-	1,432.,396
Other assets	16	-	-	8,991,801	8,991,801
		152,188,592	**41,310,696**	**325,793,546**	**519,292,834**
Financial liabilities					
Deposits from banks	19	-	-	281,479,637	281,479,637
Deposits from customers	20	-	-	163,679,069	163,679,069
Derivative financial instruments	22	2,178,822	-	-	2,178,822
Subordinated liabilities	30	-	-	9,600,000	9,600,000
Other liabilities	21	-	-	3,683,567	3,683,567
		2,178,822	**-**	**458,442,273**	**460,621,095**

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

24.2. Risk management

Risks reflect uncertainty regarding the outcome of financial transactions due to changes in political, economic and market conditions. They are inherent in the Bank's activities and are managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls to ensure an appropriate risk-return relationship. The process of risk management is critical to the Bank's existence and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank endeavours to ensure that its risk management framework is robust, relevant and aligns with best practices.

The Bank has in place a Board approved risk appetite statement which provides counterparty and concentration risk guidance in line with sound corporate governance standards. The effects of risk are considered in terms of their impact on income, asset values, liabilities and recoverability. The risks actively managed by the Bank include liquidity risk, interest rate risk, operational risk, credit risk, concentration risk and foreign exchange risk.

24.3. Liquidity risk

Liquidity risk is defined as the risk that the Bank will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due under both normal and stress circumstances.

The overall objective of liquidity risk management is to ensure that the Bank has adequate liquid resources to meet its obligations as and when they fall due, at all times. It has in place a Board approved Individual Liquidity Adequacy Assessment Process ("ILAAP") that enables monitoring and management of the Bank's liquidity risk. The Bank's policy is to monitor liquidity risk metrics including the Individual Liquidity Guidance ("ILG") wholesale mismatch gaps, survival days, liquidity coverage ratio ("LCR") and net stable funding ratio ("NSFR") along with other balance sheet ratios on a daily basis. The Treasury department is responsible for the daily liquidity risk management with daily reporting to the executive directors and Finance, and is monitored monthly through the Bank's Asset and Liability Committee ("ALCO"). To this end, the Treasury department produces the Daily Treasury Risk dashboard, which identifies liquidity and funding gaps under agreed stressed scenarios over a forecasted 3-month period. Where required, appropriate action will be proposed by the department for management's approval and subsequent action within agreed timescales to ensure that the Bank remains within its Regulatory and Board limits at all times.

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

24.4. Contractual Maturities

The table below summarises the undiscounted contractual maturities of cash flows of financial assets and liabilities.

	0 – 3 months	3 – 6 months	6 – 12 months	1 – 5 years	Above 5 years	Total
	$	$	$	$	$	$
At 31 December 2025						
Financial assets						
Cash and cash equivalents	10,067,805	-	-	-	-	10,067,805
Loans and advances to banks	73,198,633	107,556,085	80,774,113	23,946,049	-	285,474,880
Loans and advances to customers	32,137,210	9,134,592	24,583,825	72,756,823	2,658,291	141,270,741
Investment securities	26,323,676	56,478	118,731	169,698,972	-	196,197,857
Other assets	2,374,200	-	537,949	5,983,928	-	8,896,077
Total financial assets	**144,101,524**	**116,747,155**	**106,014,618**	**272,385,772**	**2,658,291**	**641,907,360**
Financial liabilities						
Deposits from banks	(146,944,000)	(109,173,177)	-	(56,225,940)	-	(312,343,117)
Deposits from customers	(187,313,331)	(19,779,859)	(26,336,697)	(434,315)	-	(233,864,202)
Subordinated liabilities	-	(454,495)	(456,992)	(10,410,865)	(3,321,650)	(14,644,002)
Other liabilities	(5,013,001)		-	-	-	(5,013,001)
Total financial liabilities	**(339,270,332)**	**(129,407,531)**	**(26,793,689)**	**(67,071,120)**	**(3,321,650)**	**(565,864,322)**
Derivative financial instruments						
Forward FX Contracts	1,424,590	841,625	281,253	-	-	2,547,468
Total derivative FIs	**1,424,590**	**841,625**	**281,253**	**-**	**-**	**2,547,468**
Loan commitments	-	-	-	(17,285,440)	-	(17,285,440)
Net liquidity gap	**(193,744,218)**	**(11,818,751)**	**79,502,182**	**188,029,212**	**(663,359)**	**61,305,066**

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

	0 – 3 months	3 – 6 months	6 – 12 months	1 – 5 years	Above 5 years	Total
	$	$	$	$	$	$
At 31 December 2024						
Financial assets						
Cash and cash equivalents	7,266,846	-	-	-	-	7,266,846
Loans and advances to banks	98,576,480	99,047,412	38,434,791	409,023	-	236,467,706
Loans and advances to customers	30,616,502	25,643,647	38,956,029	5,319,999	546,637	101,082,814
Investment securities	148,970,114	15,717,507	7,035,909	21,885,256	3,622,153	197,230,939
Other assets	3,472,043	-	263,009	5,256,749	-	8,991,801
Total financial assets	**288,901,985**	**140,408,566**	**84,689,738**	**32,871,027**	**4,168,790**	**551,040,106**
Financial liabilities						
Deposits from banks	(144,854,114)	(96,441,884)	(45,738,242)	-	-	(287,034,240)
Deposits from customers	(90,926,491)	(49,653,624)	(28,477,699)	(8,507)	-	(169,066,321)
Subordinated liabilities	-	(302,828)	(302,828)	(2,434,269)	(10,663,065)	(13,702,990)
Other liabilities	(1,771,878)	(1,911,689)	-	-	-	(3,683,567)
Total financial liabilities	**(237,552,483)**	**(148,310,025)**	**(74,518,769)**	**(2,442,776)**	**(10,663,065)**	**(473,487,118)**
Derivative financial instruments						
Forward FX Contracts	937,335	(999,645)	(684,116)	-	-	(746,426)
Total derivative FIs	937,335	(999,645)	(684,116)	-	-	(746,426)
Loan commitments	(16,787,676)	(4,061,350)	-	(904,061)	-	(21,753,087)
Net liquidity gap	**35,499,161**	**(12,962,454)**	**9,486,853**	**29,524,190**	**(6,494,275)**	**55,053,475**

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

24.5. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

A substantial part of the Bank's interests bearing liabilities and assets are at fixed interest rates. All fixed interest bearing assets are short term discounted bills, refinanced letters of credit, Eurobonds and US and UK treasury bills. The overall potential impact of the mismatches on the earnings are being managed within the tolerance limits approved by the Board. The repricing characteristics of the Bank's assets and liabilities are mismatched and subject the Bank to interest rate risk.

Interest rate risk is managed principally through active monitoring of mismatch gaps and by having pre-approved limits.

Summarised below is the interest rate gap position based on the carrying amount of floating interest rate sensitive financial instruments:

	Carrying amount $	0 – 3 months $	3 – 6 months $	6 – 12 months $	1 – 5 years $	Above 5 years $
At 31 December 2025						
Assets subject to interest rate risk:						
Loans and advances to banks	35,228,596	5,013,170	7,758,462	16,645,364	5,811,600	-
Loans and advances to customers	111,269,432	17,848,083	7,396,169	21,250,411	62,979,145	1,795,624
Investment securities	193,681,815	26,263,348	-	-	167,418,467	-
Other assets	260,000	260,000				
	340,439,843	49,384,601	15,154,631	37,895,775	236,209,212	1,795,624

	Carrying amount $	0 – 3 months $	3 – 6 months $	6 – 12 months $	1 – 5 years $	Above 5 years $
Liabilities subject to interest rate risk:						
Deposits from banks	(70,099,209)	(13,873,269)	-	-	(56,225,940)	-
Deposits from customers	-	-	-	-	-	-
Other liabilities	(2,468,797)	(2,468,797)	-	-	-	-
	(72,568,006)	(16,342,066)	-	-	(56,225,940)	-
Net interest gap	267,871,837	33,042,535	15,154,631	37,895,775	179,983,272	1,795,624

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

	Carrying amount $	0 – 3 months $	3 – 6 months $	6 – 12 months $	1 – 5 years $	Above 5 years $
At 31 December 2024						
Assets subject to interest rate risk:						
Loans and advances to banks	46,843,362	7,496,634	15,736,213	23,610,515	-	-
Loans and advances to customers	75,679,498	18,874,099	20,385,527	36,419,872	-	-
Investment securities	152,622,040	147,572,343	-	-	5,049,697	-
Other assets	1,910,000	1,910,000	-	-	-	-
	277,054,900	**175,853,076**	**36,121,740**	**60,030,387**	**5,049,697**	**-**

	Carrying amount $	0 – 3 months $	3 – 6 months $	6 – 12 months $	1 – 5 years $	Above 5 years $
Liabilities subject to interest rate risk:						
Deposits from banks	(53,884,654)	(25,917,429)	(27,967,225)	-	-	-
Deposits from customers	-	-	-	-	-	-
Other liabilities	(759,609)	(759,609)	-	-	-	-
	(54,644,263)	**(26,677,038)**	**(27,967,225)**	**-**	**-**	**-**
Net interest gap	**222,410,637**	**149,176,038**	**8,154,515**	**60,030,387**	**5,049,697**	**-**

24.6. Interest rate Sensitivity

The management of interest rate risk against interest rate gaps is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 200-basis point change. The financial assets and liabilities sensitive to interest rate risk are loans and advances and deposits.

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

A weighted average interest rate has been applied and the effects are shown in the table below:

At 31 December 2025	Gross amount	Weighted average	Interest due at current weighted average rate	Increase of 200bps
Financial assets				
Cash and cash equivalents	10,067,805	0.11%	11,003	212,359
Loans and advances to banks	273,216,509	6.90%	18,847,885	24,312,215
Loans and advances to customers	123,313,755	6.83%	8,422,652	10,888,927
Investment securities	195,435,410	3.48%	6,804,089	10,712,797
Other assets	260,000	0.00%	-	5,200
Financial liabilities				
Deposits from banks	(308,574,526)	3.15%	(9,704,795)	(15,876,286)
Deposits from customers	(178,363,336)	4.64%	(8,269,131)	(11,836,398)
Subordinated liabilities	(9,600,000)	6.26%	(600,664)	(792,664)
Other liabilities	(2,468,797)	0.00%	-	(49,376)
	103,286,820		**15,511,039**	**17,576,774**
Impact on net interest income				**2,065,735**

The impact of a decrease in interest rates will be the equal and opposite of the increase scenarios shown.

At 31 December 2024	Gross amount	Weighted average	Interest due at current weighted average rate	Increase of 200bps
Financial assets				
Cash and cash equivalents	7,266,846	-	-	145,337
Loans and advances to banks	223,306,414	7.51%	16,760,966	21,227,094
Loans and advances to customers	89,448,469	8.08%	7,229,207	9,018,176
Investment securities	192,066,895	1.08%	2,078,288	5,919,626
Other assets	1,910,000	-	-	38,200
Financial liabilities				
Deposits from banks	(281,479,637)	3.01%	(8,442,777)	(14,072,370)
Deposits from customers	(163,679,069)	4.13%	(6,620,300)	(9,893,881)
Subordinated liabilities	(9,600,000)	6.24%	(599,000)	(791,000)
Other liabilities	(759,609)	-	-	(15,192)
	58,480,309		**10,406,384**	**11,575,990**
Impact on net interest income				**1,169,606**

The impact of a decrease in interest rates will be the equal and opposite of the increase scenarios shown.

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

24.7. Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. In accordance with the Bank's policy, positions are monitored on a daily basis to ensure positions are maintained within an acceptable level of exposure. The Bank has in place forward foreign exchange contracts to mitigate its' foreign exchange risk.

The table below considers financial assets and financial liabilities denominated in the currencies of the Bank's principal foreign exchange exposures in aggregate:

	USD	NGN	GBP	EURO	CHF	ZAR	Total
At 31 December 2025	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial assets							
Cash and cash equivalents	5,169,998	366	3,103,177	1,772,561	708	20,995	10,067,805
Investment securities	162,610,015	-	31,059,634	1,765,761	-	-	195,435,410
Loans and advances to banks	242,812,022	-	159,595	30,244,892	-	-	273,216,509
Loans and advances to customers	55,450,222	-	31,553,479	36,310,054	-	-	123,313,755
Forward FX contracts	(50,887,351)	-	80,599,995	(26,742,489)	-	-	2,970,155
Other assets	1,681,518	-	6,708,319	-	-	-	8,389,837
Total assets	**416,836,424**	**366**	**153,184,199**	**43,350,779**	**708**	**20,995**	**613,393,471**
Financial liabilities							
Deposits from banks	(305,820,239)		(1,126,770)	(1,627,516)	(1)		(308,574,526)
Deposits from customers	(49,261,406)	-	(176,390,984)	(119,568)	-		(225,771,958)
Subordinated liabilities	(9,600,000)	-	-	-	-		(9,600,000)
Forward FX contracts	7,324,312	-	32,219,798	(39,966,797)	-		(422,687)
Accrued liabilities	(2,663,513)	--	(2,263,386)	(86,102)	-		(5.013,001)
Total liabilities	(360,020,846)	-	(147,561,342)	(41,799,983)	(1)		(549,382,172)
Net on-balance sheet financial position	**56,815,578**	**366**	**5,622,857**	**1,550,796**	**707**	**20,995**	**64,517,539**
Off-balance sheet financial position	35,454,660	-	88,990	3,350,107			38,893,757

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

At 31 December 2024	USD $	NGN $	GBP $	EURO $	CHF $	ZAR $	Total $
Financial assets							
Cash and cash equivalents	3,161,107	343	2,369,438	1,717,140	398	18,420	7,266,846
Investment securities	170,040,541	-	21,235,515	790,836	-	-	192,066,892
Loans and advances to banks	217,425,531	-	147,312	5,733,571	-	-	223,306,414
Loans and advances to customers	44,410,673	-	17,824,564	27,213,232	-	-	89,448,469
Forward FX contracts	35.,538,526	-	(953,648)	(33,152,482)	-	-	1,432,396
Other assets	3,200,351	-	5,791,450	-	-	-	8,991,801
Total assets	473,776,729	343	46,414,631	2,302,297	398	18,420	522,512,818
Financial liabilities							
Deposits from banks	(278,280,650)	-	(1,479,138)	(1,719,849)	-	-	(281,479,637)
Deposits from customers	(44,738,231)	-	(118,718,043)	(222,795)	-	-	(163,679,069)
Subordinated liabilities	(9,600,000)	-	-	-	-	-	(9,600,000)
Forward FX contracts	(87,647,797)	-	84,636,260	832,715	-	-	(2,178,822)
Accrued liabilities	(880,654)	-	(2,798.190)	(4,723)	-	-	(3,683,567)
Total liabilities	(421,147,332)	-	(38,359,111)	(1,114,652)	-	-	(460,621,095)
Net on-balance sheet financial position	**52,629,397**	**343**	**8,055,520**	**1,187,645**	**398**	**18,420**	**61,891,723**
Off-balance sheet financial position	35,240,222	-	82,917	17,164,782	-	-	52,487,921

The Bank's principal foreign exchange exposures are to Sterling and Euro. The table below illustrates the hypothetical sensitivity of the Bank's reported profit and equity to a 10% increase in the respective foreign exchange rates to which the Bank is exposed. (A decrease in the currency rate would have an equal and opposite impact):

	31 December 2025 $	31 December 2024 $
Impact on reported profit:		
Sterling	612,910	805,552
Naira	37	34
Euro	155,080	118,764
Swiss Francs	71	40
Rand	2,100	1,842
Increase to reported profit	770,198	926,233

Foreign exchange movements affect reported equity through changes in profit or loss.

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

24.8. Credit risk

Credit risk is the risk of loss as a result of any counterparties failing to fulfil their contractual obligations.

The Bank follows the 'Standardised Approach' to credit risk management as prescribed in the Capital Resources Requirements and Capital Requirement Directive IV. Credit risk is managed through credit approval processes; a credit approving authority structure; setting and monitoring of prudential exposures and country/counterparty limits; portfolio management and risk based pricing.

The definition of default is referenced in note 2.20. The Bank will consider a full or partial write off of a financial asset if there is considered to be no realistic prospect of recovery. The amount to be written off will be dependent on; the realistic amount that can be recovered, and any collateral or security held which will impact the net realisable value.

Impairment assessment

For accounting purposes, the Bank uses an expected loss model to comply with the requirements associated with IFRS 9. The approach is described below briefly:

- The ECL computation is performed for each exposure that is assigned to the Amortised Cost or FVOCI (debt) classification and is based on the industry standard components: PD, EAD, and LGD. Where necessary, discounting is applied.
- The ECL figures also incorporate five macro-economic scenarios and the ECLs from these scenarios are probability-weighted to calculate an overall ECL. It uses a base case economic forecast as a central scenario, and four economic scenarios around the central scenario.
- The key inputs to the approach are (i) modelled PDs based on internal credit ratings that are assigned by the Bank's Credit Department, (ii) exposure amounts and on-balance sheet equivalent amounts and (iii) LGD estimates as inputs to determine ECL. Annual PDs are provided for each exposure for each year of the exposure's residual term. The PDs supplied as inputs to the ECL calculation are independent of the state of the economy and are benchmarked with long run default rates from external agency ratings. To meet the requirements of IFRS 9, the calculation adjusts the PDs so that they convert into point-in-time values given a specific economic scenario based on historically observed relationships between macroeconomic variables and default rates. Each exposure is subject to SICR or staging rules as per IFRS 9. Exposures in Stage 1 attract a 12 months ECL and exposures in Stages 2 and 3 attract a lifetime ECL. The criteria to determine the appropriate staging for each exposure is approved by the Bank's Credit department or Credit Committee and mainly reflect (i) account payment behaviour, (ii) changes in credit ratings since origination of an exposure and (iii) qualitative credit risk assessment by the Bank. If there is evidence that SICR is no longer present for an instrument, the instrument is transferred back to Stage 1 according to the IFRS 9 framework. The Bank then aggregates the ECL for reporting and analysis. If any management overlays to the above are needed, they are documented and approved through appropriate governance processes.

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

- The Credit department and the credit approving authority including the Credit Committee are responsible for assessing the rating of clients at origination and at present. Clients are re-rated on at least an annual basis, or if other events such as, but not limited to, a change in company ownership or negative news about the company or changes in client activity. The credit department is also responsible for identifying SICR with any particular exposure or portfolio of exposures, as may be applicable and report to the appropriate authority. The Credit department, MCC, BCC and BAC are responsible for assessing the macro-economic scenarios that are implemented in the calculation of ECLs and consider the scenarios and their impact to result in the best estimate macro-economic conditions likely to impact the likelihood of default of the Bank's existing exposures. The impact of the provisioning performed under IFRS 9 on the balance sheet as at 31st December 2025 is $9,132,227 (2024: $3,991,400).

Credit-related commitment risks

The Bank makes available to its customers guarantees that may require the Bank to make payments on their behalf and enters into commitments to extend credit lines to secure their liquidity needs. Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Such commitments expose the Bank to similar risks to loans and are mitigated by the same control processes and policies

Analysis of maximum exposure to credit risk

The table below shows the Bank's maximum exposure to credit risk by class of financial asset and internal risk ratings.

Maximum exposure to credit risk

	IFRS 9 31 December 2025			IFRS9 31 December 2024		
	Gross exposure	Allowance for credit loss	Net exposure	Gross exposure	Allowance for credit loss	Net exposure
	$	$	$	$	$	$
Cash and cash equivalents	10,067,723	291	10,067,432	7,266,770	220	7,266,550
Investments at FVOCI	5,110,015	-	5,110,015	41,310,696	-	41,310,696
Loans & advances to banks	273,216,509	1,034,219	272,182,290	223,306,414	952,638	222,353,776
Loans & advances to customers	123,313,755	7,567,020	115,746,735	89,448,469	2,267,126	87,181,343
Other assets	8,896,077	506,240	8,389,837	8,991,801	-	8,991,801
Off balance sheet	38,893,757	24,144	38,869,613	52,487,921	21,706	52,466,215
	459,497,836	9,131,914	450,365,922	422,812,071	3,241,690	419,570,381

In addition, there are investments at FVTPL in 2025 of $190,325,395 (2024: $150,756,196). $188,571,800 of this is considered very low risk (2024: $147,574,098), and $1,753,595 is considered medium risk (2024: $3,182,098). The maximum exposure to credit risk relating to cash and cash equivalents excludes cash on hand of $82 (2024: $76). In 2025, there is an ECL of $313 relating to investments at FVOCI (2024: $749,710) however this does reduce the carrying value of the asset and therefore does not impact the exposure to credit risk.

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

The Bank manages the credit quality of financial assets using internal credit ratings. These are:

Internal credit ratings scale:

FCMB UK Rating	Description	Moody's Rating
1-6	- very low risk	Aaa- / Aa1 - A3
7-9	- low risk	Baa1 - Baa3
10-13	- medium risk	Ba1 - B1
14-16	- acceptable risk	B2 - Caa1
17-20	- high risk	Caa2 - D

Net carrying value of exposure by risk rating

	IFRS 9 31 December 2025			
	Stage 1	Stage 2	Stage 3	Net carrying amount
	$	$	$	$
Very low	58,046,078	-	-	58,046,078
Low	17,591,836	-	-	17,591,836
Medium	137,482,047	1,808,235	-	139,290,282
Acceptable	218,353,600	260,623	124,233	218,738,456
High	10,317,221	-	6,382,049	16,699,270
	441,790,782	2,068,858	6,506,282	450,365,922

Net carrying value of exposure by risk rating

	IFRS 9 31 December 2024			
	Stage 1	Stage 2	Stage 3	Net carrying amount
	$	$	$	$
Very low	51,144,187	-	-	51,144,187
Low	11,090,920	-	-	11,090,920
Medium	103,031,398	1,001,640	-	104,033,038
Acceptable	239,757,603	4,455,769	-	244,213,372
High	4,592,968	1,374,698	3,121,198	9,088,864
	409,617,076	6,832,107	3,121,198	419,570,381

In 2025, there were six exposures in stage 2, three exposure in stage 3, and all other exposures were in stage 1 at year end. In 2024, there were six exposures in stage 2, one exposure in stage 3, and all other exposures were in stage 1 at year-end.

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

Expected Credit Loss by Stage

	31 December 2025 $	31 December 2024 $
Stage 1	2,180,753	1,919,530
Stage 2	49,181	364,349
Stage 3	6,902,293	1,707,521
	9,132,227	3,991,400

Movement in expected credit losses throughout the year

		IFRS 9 31 December 2025		
	31/12/2025 $	Additional $	Release $	31/12/2024 $
Cash and cash equivalents	291	109	(38)	220
Loans & advances to banks	1,034,219	852,604	(771,023)	952,638
Loans & advances to customers	7,567,020	5,813,914	(514,020)	2,267,126
Investment securities at FVOCI	313	294	(749,691)	749,710
Redeemable assets	506,240	506,240	-	-
Off balance sheet	24,144	21,438	(19,000)	21,706
	9,132,227	7,194,599	(2,053,772)	3,991,400

Movement in expected credit losses throughout the year

		IFRS 9 31 December 2024		
	31/12/2024 $	Additional $	Release $	31/12/2023 $
Cash and cash equivalents	220	29	(382)	573
Loans & advances to banks	952,638	517,394	(618,853)	1,054,097
Loans & advances to customers	2,267,126	303,816	(212,711)	2,176,021
Investment securities at FVOCI	749,710	68,006	(1,079,909)	1,761,613
Off balance sheet	21,706	8,324	(8,981)	22,363
	3,991,400	897,569	(1,920,836)	5,014,667

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

	31 December 2025 $	31 December 2024 $
Movement in ECL		
At 1 January	(3,991,400)	(5,014,667)
Movements in ECL	(5,140,827)	1,023,267
At 31 December	(9,132,227)	(3,991,400)

	31 December 2025 $	31 December 2024 $
Reconciliation of impairment charges		
Movements in ECL	(5,140,827)	1,023,267
Write offs	-	(1,053,181)
Total Impairment Charges	(5,140,827)	(29,914)

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

24.9. Concentration Risk

Analysis of risk concentration

The Bank's concentrations of risk are managed by counterparty and by country.

The maximum credit exposure net of collateral to any single counterparty as of 31 December 2025 was $13,562,307 (31 December 2024: $14,918,934).

The Bank's concentration of exposure to credit risk before collateral and net of ECL and corresponding collateral can be analysed by the following geographical regions.

	Exposure 31 December 2025 $	Collateral 31 December 2025 $	Exposure 31 December 2024 $	Collateral 31 December 2024 $
Nigeria	134,296,330	64,094,098	189,932,834	63,907,530
Turkey	46,151,377		45,316,003	-
United Kingdom	61,287,723	18,940,920	50,611,568	10,543,573
			5,808,475	-
Kenya	37,393,419			
Côte d'Ivoire	23,682,510		11,977,245	-
Tanzania	18,374,961		18,026,321	-
Angola	15,365,847		14,192,533	-
Ghana	10,738,405		9,088,864	-
USA	8,675,203		33,543,426	
Egypt	8,271,323		4,344,625	-
Uganda	5,240,601		-	-
UAE	4,544,683		4,831,226	-
Italy	3,782,837		8,119,576	-
Ethiopia	2,819,108		918,489	-
Rwanda	1,683,382		865,493	-
Senegal	1,600,564		260,124	-
Mozambique	1,213,820		-	-
Germany	538,375		1,092,141	-
Switzerland	260,383		-	-
Belgium	150,274		146,589	-
Burundi			12,605,777	-
Saudi Arabia			4,944,243	-
Togo			1,367,435	
India			1,577,390	
Ethiopia			918,489	
				-
Bangladesh			4	
Multilateral Development Banks	64,294,797			
	450,365,922	**83,035,018**	**419,570,381**	**74,451,103**

Notes to the Financial Statements

for the year ended 31 December 2025

24. Financial instruments and risk management (Continued)

The Bank's exposure to Nigeria is mitigated by cash deposits from the Parent held under a legal right of set-off agreement, cash deposits from other parties and cash collateral contractually held for settlement of trade finance exposures. The Bank's exposure to United Kingdom is mitigated by security of a first legal charge on residential properties in the buy to let portfolio.

The Bank's concentration of exposure to credit risk before collateral and net of ECL and corresponding collateral can be analysed by the following asset categories.

	Exposure	Collateral	Exposure	Collateral
	31 December 2025	31 December 2025	31 December 2024	31 December 2024
	$	$	$	$
Cash and cash equivalents	10,067,432	366	7,266,550	343
Loans & advances to banks	272,182,290	50,373,055	222,353,776	58,270,710
Loans & advances to customers	115,746,735	26,645,439	87,181,343	10,543,573
Investments	5,110,015	-	41,310,696	-
Other Assets	8,389,837	260,000	8,991,801	-
Off balance sheet	38,869,613	5,756,158	52,466,215	5,636,477
	450,365,922	**83,035,018**	**419,570,381**	**74,451,103**

Notes to the Financial Statements

for the year ended 31 December 2025

25. Current and non-current financial assets and financial liabilities

At 31 December 2025	Current 0-3 months $	Current 3-6 months $	Current 6-12 months $	Non Current 1-5 years $	Above 5 years $	Total $
Financial Assets						
Cash and cash equivalents	10,067,805	-	-	-	-	10,067,805
Loans & advances to banks	71,158,092	103,198,478	76,574,880	22,285,059	-	273,216,509
Loans & advances to customers	29,861,073	7,396,169	21,281,744	62,979,145	1,795,624	123,313,755
Investments	26,263,348	-	-	169,172,062	-	195,435,410
Forward FX contracts	1,693,708	976,600	299,847	-	-	2,970,155
Other assets	2,374,200	-	537,949	5,983,928	-	8,896,077
	141,418,226	111,571,247	98,694,420	260,420,194	1,795,624	613,899,711
Financial Liabilities						
Deposits from banks	145,655,112	106,693,474	-	56,225,940	-	308,574,526
Deposits from customers	183,797,997	17,910,735	24,063,226	-	-	225,771,958
Subordinated liabilities	-	-	-	6,500,000	3,100,000	9,600,000
Forward FX contracts	269,118	134,975	18,594			422,687
Other liabilities	5,013,001	-	-	-	-	5,013,001
	334,735,228	124,739,184	24,081,820	62,725,940	3,100,000	549,382,172

All numbers are gross of ECL. In 2025, the total current financial assets were $351,683,893, total non-current assets were $262,215,818. In 2025, the total current financial liabilities were $483,556,232, total non-current liabilities were $65,825,940.

Notes to the Financial Statements

for the year ended 31 December 2025

25. Current and non-current financial assets and financial liabilities (Continued)

At 31 December 2024	Current 0-3 months $	Current 3-6 months $	Current 6-12 months $	Non Current 1-5 years $	Above 5 years $	Total $
Financial Assets						
Cash and cash equivalents	7,266,846	-	-	-	-	7,266,846
Loans & advances to banks	94,895,241	92,033,623	36,377,550	-	-	223,306,414
Loans & advances to customers	28,872,125	23,970,974	36,605,370	-	-	89,448,469
Investments	148,514,428	15,094,071	6,245,065	19,401,455	2,811,876	192,066,895
Forward FX contracts	1,373,750	58,646	-	-	-	1,432,396
Other assets	3,472,043	-	263,009	5,256,749	-	8,991,801
	284,394,433	131,157,314	79,490,994	24,658,204	2,811,876	522,512,818
Financial Liabilities						
Deposits from banks	143,551,138	93,659,705	44,268,794	-	-	281,479,637
Deposits from customers	88,833,009	47,428,846	27,417,214	-	-	163,679,069
Subordinated liabilities	-	-	-	6,500,000	3,100,000	9,600,000
Forward FX contracts	436,415	1,058,291	684,116	-	-	2,178,822
Other liabilities	1,771,878	1,911,689	-	-	-	3,683,567
	234,592,440	144,058,531	72,370,124	6,500,000	3,100,000	460,621,095

All numbers are gross of ECL. In 2024, the total current financial assets were $495,042,741, total non-current assets were $27,470,080. In 2024, the total current financial liabilities were $451,021,095, total non-current liabilities were $9,600,000.

26. Capital management

The Bank is required to maintain a regulatory minimum capital as prescribed by the Individual Capital Guidance (ICG) which is based on Pillar 1 and 2 capital and other requirements.

Capital management policy

The Bank manages its capital through an Internal Capital Adequacy Assessment Process ("ICAAP") and regular monitoring of the capital requirements based on the business profile.

The Bank manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by management.

Notes to the Financial Statements

for the year ended 31 December 2025

26. Capital management (continued)

Fair value

Fair values of financial assets and liabilities not carried at fair value

Cash and cash equivalents are short term in nature and the carrying value is considered to be the fair value.

Loans and advances to banks and customers are largely considered to be short term in nature and where these relationships are longer term there are considered to be no material factors in terms of impairment, credit or market risk and as such the carrying value is deemed a reasonable approximation of their fair value.

Deposits from banks and customers are largely considered to be short term in nature and where these relationships are longer term there are no material factors in terms of credit or market risk and as such the carrying value is deemed a reasonable approximation of their fair value.

The carrying amounts of the Bank's financial assets and liabilities measured at amortised cost are also deemed to be a reasonable approximation of the fair value of those assets and liabilities.

Fair values of financial assets and liabilities that are carried at fair value

The fair value measurement of the Bank's bonds, HQLA investments and government fund investments are categorised as level 1 in the fair value hierarchy because these investments can be traded in an active market and prices are readily available on an arm's length basis.

The fair value measurement of the Bank's derivative financial instruments and other fund investments are categorised as level 2 in the fair value hierarchy because they can be determined by using observable market data from financial data providers. The derivative financial instruments are priced using market data from exchanges. The other fund investments are priced using a quoted price based on net asset value and the market is considered inactive. Further details of the fair value assets are found in note 15.

There is one asset carried at fair value which is classified as Level 3.

All statements relating to fair value are made to both 2025 and the level 3 asset was considered level 2 at the end of 2024.

27. Share capital and reserves

	31 December 2025 $	31 December 2024 $
Issued and fully paid shares of $1.00 each	53,900,000	53,900,000

	No. of shares	No. of shares
Issued and fully paid shares of $1.00 each	53,900,000	53,900,000

Share capital represents the nominal value of ordinary shares issued and fully paid. The issued share capital carries one voting right per share and does not carry any rights to fixed income.

Retained earnings consist of the statutory reserve which has to be formed in accordance with national law and undistributed profits from previous years.

Other reserves show the effects from the fair value measurement of financial instruments in the category of FVOCI. Any gains or losses are not recognised in profit or loss until the asset has been sold or impaired.

28. Letters of credit, guarantees and commitments

Notes to the Financial Statements

for the year ended 31 December 2025

As at the reporting date, the Bank had the following letters of credit, guarantees and commitments:

	31 December 2025 $	31 December 2024 $
Confirmed letters of credit - banks	21,519,327	30,651,917
Issued letters of credit - banks	88,990	82,917
Commitments - banks	3,118,773	16,808,812
Commitments - customers	14,166,667	4,944,275
	38,893,757	52,487,921

28.1 Lease liability maturity analysis

The Bank leases property under a lease agreement which is due to expire in 2026.

The aggregate minimum lease payments under this lease are as follows:

Lease Liability (actual payments)	31 December 2025 $	31 December 2024 $
In one year	107,976	378,295
In more than one year but less than five years	-	138,744
In more than five years	-	-
	107,976	517,039

Lease Liability		*31 December 2025* *$*	*31 December 2024* *$*
As at 1 January	Lease liability	496,755	130,811
	Disposals	-	-
	Additions	-	772,961
	FX movement	36,380	(24,010)
	Payments	(452,280)	(400,724)
	Interest	27,121	17,717
As at 31 December		107,976	496,755

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29. Subordinated liabilities

Subordinated liabilities	31 December 2025 $	31 December 2024 $
As at 1 January	9,600,000	9,600,000
As at 31 December	9,600,000	9,600,000

The subordinated liabilities are all fixed rate subordinated notes.

30. Related party transactions

30.1 Compensation of key management personnel

The key management personnel are considered to be the Board of Directors and members of the Executive Committee. Please refer to note 8 for details of the Directors' remuneration.

	31 December 2025 $	31 December 2024 $
Short term benefits	3,806,731	4,190,887
Post-employment benefits	11,151	12,384
	3,817,882	4,203,271

There were no other long-term benefits in 2025 or 2024.

In 2025 termination benefits of were paid of $193,027 (2024: 0).

	31 December 2025 $	31 December 2024 $
Loans		
At the beginning of the year	-	-
At the end of the year	355,457	-

The related party loan was provided to the Executors of a will, which included one of the Directors. The loan was approved by the Board in October 2025 and managed in line with the Conflicts of Interest Policy.

The loan is unsecured interest of the loan is charged at a market rate of 5.1% (above the HMRC reference rate of 3.75%) and repayment will be made from cash held on deposit by the Bank within probate. An Expected Credit Loss of $1,366 has been provided for.

Notes to the Financial Statements

for the year ended 31 December 2025

30. Related party transactions (continued)

30.2 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial operational decisions. Other related parties include other group subsidiary companies and group directors.

The Bank had the following related party positions:

	31 December 2025 $	31 December 2024 $
Parent company		
Loan and advances		
Interest bearing	50,373,055	58,291,588
Other assets:		
Other non-interest bearing	366	835,661
Deposits		
Interest bearing	59,691,512	67,279,065
Other liabilities		
Other non-interest bearing	10,407,697	45,424
Letters of credit	5,759,031	5,636,478
Other related parties		
Loans		
To related party individuals	415,759	124,107
Deposits		
From related party companies	2,275,427	1,733,624
From related party individuals	3,051,768	3,136,257

Parent company short term deposits include $3,465,569 cash collateral (2024: $9,957,533). Related party companies include group subsidiary companies. Related party individuals include group directors.

	31 December 2025 $	31 December 2024 $
The Bank's related party transactions during the year comprised:		
Interest receivable from parent company	721,311	4,872,016
Interest receivable from related party individuals	1,012	47,523
Interest payable to parent company	200,686	3,117,545
Interest payable to related party companies	5,900	68,978
Interest payable to related party individuals	25,747	130,543
Fees charged to parent company	200,000	200,000
Fees recharged to parent company included within other income	912,375	1,505,084

Notes to the Financial Statements

for the year ended 31 December 2025

31. Events after the year end

There were no material events after the year end that impact the accounts and accompanying notes Management do not consider that recent events in the Middle East are likely to an adverse impact on the business although continue to monitor the situation closely.

32. Ultimate controlling party

FCMB Group Plc, which is incorporated in Nigeria, is the Bank's ultimate parent undertaking and ultimate controlling related party. The Bank's immediate parent company is First City Monument Bank Limited which is incorporated in Nigeria.

Copies of the financial statements for FCMB Group Plc are available from FCMB Bank (UK) Limited, 81 Gracechurch Street, London EC3V 0AU, or from the parent's office at Primrose Towers, 17A Tinubu Street, Lagos, PO Box 9117 Nigeria or from the group website: www.fcmb.com.

The largest and smallest group of undertakings for which consolidated accounts have been drawn up is FCMB Group Plc and First City Monument Bank Limited respectively.

33. Prior Year Adjustment

During 2025 the bank changed the carrying value of assets and liabilities to include accrued interest, in line with IFRS 9. This presentational adjustment led to an overestimate of other assets and liabilities of $8,711,581 and $4,298,436 respectively, with the offset being an underestimate of financial assets and liabilities.

Assets	2024 Per prior year accounts	Change for interest rate accrual (Presentational Adjustment)	Restated 2024 balance
Cash and cash equivalents	7,266,626		7,266,626
Loans and advances to banks	215,293,067	7,060,709	222,353,776
Loans and advances to customers	86,092,409	1,088,934	87,181,343
Investment securities	196,761,703	561,938	197,323,641
Other assets	13,004,808	(8,711,581)	9,549,976
Total assets	**518,418,613**	**-**	**518,418,613**
LIABILITIES			
Deposits from banks	280,518,956	960,681	281,479,637
Deposits from customers	160,341,314	3,337,755	163,679,069
Other liabilities	9,498,007	(4,298,436)	5,199,571
Total liabilities	**450,358,277**	**-**	**450,358,277**

Notes to the Financial Statements

for the year ended 31 December 2025

33. Prior Year Adjustment (continued)

Additionally, there was an error of $5,256,749 due to an overstatement relating to investment units which had been redeemed prior to year-end but for which no cash had been received was understated as a Receivable. These adjustments do not impact the Statement of Comprehensive Income but do lead to changes in the prior year categorisation on the Statement of Financial Position. The adjustment to the 2024 figures is as follows:

Assets	**2024 Per prior year accounts**	**Change for interest rate accrual (Presentational Adjustment)**	**Change for categorisation of investment (error)**	**Restated 2024 balance**
Cash and cash equivalents	7,266,626			7,266,626
Loans and advances to banks	215,293,067	7,060,709		222,353,776
Loans and advances to customers	86,092,409	1,088,934		87,181,343
Investment securities	196,761,703	561,938	(5,256,749)	192,066,892
Derivative financial instruments	1,432,396	-		1,432,396
Other assets	13,004,808	(8,711,581)	5,256,749	9,549,976
Property and equipment	950,961	-		950,961
Intangible assets	619,689	-		619,689
Deferred tax asset				
Total assets	**521,421,659**			**521,421,659**
LIABILITIES				
Deposits from banks	280,518,956	960,681		281,479,637
Deposits from customers	160,341,314	3,337,755		163,679,069
Derivative financial instruments	2,178,822	-		2,178,822
Other liabilities	9,498,007	(4,298,436)		5,199,571
Subordinated liabilities	9,600,000	-		9,600,000
Deferred tax liability	24,923	-		24,923
Total liabilities	**462,162,022**			**462,162,022**

These adjustments have been fed through to the relevant notes including 13, 14, 15, 16, 19, 20, 21, 24 & 25.

Notes to the Financial Statements

for the year ended 31 December 2025

34. Beginning of Prior Period Adjustment

In line with IAS 1.41 the table below shows how the recategorised interest accrual would impact the balance as at the beginning of the preceding period.

Assets	**Audited position as at 1 January 2024**	**Change for interest rate accrual (Presentational Adjustment)**	**Restated balance as at 1 January 2024**
Cash and cash equivalents	7,498,541	-	7,498,541
Loans and advances to banks	179,580,081	4,103,492	183,683,573
Loans and advances to customers	74,582,276	797,748	75,380,024
Investment securities	187,900,449	1,021,815	188,922,264
Derivative financial instruments	1,597,744	-	1,597,744
Other assets	9,099,146	(5,923,055)	3,176,091
Property and equipment	480,338	-	480,338
Intangible assets	540,470	-	540,470
Deferred tax asset	19,819	-	19,819
Total assets	**461,298,864**	**-**	**461,298,864**
LIABILITIES			
Deposits from banks	232,089,383	1,079,291	233,168,674
Deposits from customers	155,331,596	1,905,876	157,237,472
Derivative financial instruments	1,048,899	-	1,048,899
Other liabilities	7,934,679	(2,985,167)	4,949,512
Subordinated liabilities	9,600,000	-	9,600,000
Deferred tax liability	24,923	-	24,923
Total liabilities	**406,004,557**		**406,004,557**

There were no changes to the Statement of Comprehensive Income, Changes in Equity, or Cash Flow.

FCMB Bank (UK) Limited Audited Accounts 2025 vf 16Apr26

Final Audit Report 2026-04-17

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