Registration number: 04459383

FirstBank UK Limited

Annual Report and Financial Statements

for the year ended 31 December 2025

Contents

Company information

Chairman
Andrew Alli

Directors
Olalekan Adelekan
Olukorede Adenowo
Oluwatosin Adewuyi (Resigned 19 February 2025)
Olusegun Alebiosu
Mfon Akpan
Jeremy Patrick Steward Crawford CB
David Tunde Davis
Dr Catherine Raines
Dr Olaitan Martins (Appointed 01 May 2025)

Company secretary
Margaret Fakoya

Registered number
04459383

Registered office
28 Finsbury Circus
London
EC2M 7DT

Bankers
HSBC Bank Plc - London and New York
Standard Chartered Bank Plc - London, New York, Japan, China and UAE

Independent auditor
Forvis Mazars
Statutory Auditor
30 Old Bailey
London
EC4M 7AU

Chairman's Statement

Overview

As we commenced the first year of our five-year strategic planning cycle in 2025, the Bank reaffirmed its commitment to thinking big, taking clear ownership of its strategic direction, and making it happen, firmly guided and underpinned by our values. Throughout the year, we worked together across the Bank in an inclusive and collaborative manner, connected clients to opportunities and delivered responsible growth. In all that we do, we remain committed to showing we care about our customers, our people, our communities, and our wider stakeholders while creating long-term, sustainable value for all.

Performance and Opportunities

Building on the resilience demonstrated in 2024, we maintained a steady course and reinforced our role as a trusted bridge linking the UK and Africa in trade and investment. Our commitment to responsible growth and excellent service remains central to the execution of our strategy.

We continued to position the Bank as a reliable partner for clients engaged in trade and investment flows, guided by responsible growth and supported by a diversified product offering. We prioritised quality over volume, strengthened client experiences, and implemented targeted improvements designed to make banking simpler and more reliable. These efforts have supported the development of a business that is purposeful, resilient and focused on delivering sustainable long-term value.

Operating Environment and Strategic Direction

We operated with discipline and focus in a dynamic external environment, maintaining close engagement with customers to deliver the best outcomes. UK interest rates declined, exerting pressure on margins across the sector, while global trade volatility and foreign exchange reforms in Nigeria presented a mix of challenges and opportunities. In response, we adopted a measured approach, prioritising prudent risk selection, continued investment in client-facing capabilities and disciplined execution aligned with our long-term strategic priorities.

Key Achievements and Challenges

During the year, we advanced customer centred practices across products and communications, strengthened resilience and control frameworks, and delivered practical improvements to clients' journeys that matter most. Notable progress was achieved in expanding our digital capabilities, launching new transaction and compliance solutions, and deepening our presence across key trade corridors.

Board Oversight of Strategy

The Board remained actively engaged in overseeing strategy, risk and performance throughout the year. We supported Management in embedding good conduct and positive customer outcomes across the Bank, while encouraging continued progress in culture, capability and leadership continuity. Strong governance remains a foundation for ensuring confidence, consistency and effective delivery of our strategic priorities.

Chairman's Statement

Vision for the Future

Our vision remains unchanged: to be the leading UK bank for African trade and investment by driving responsible growth and providing excellent service. Looking ahead to 2026, we will continue to strengthen corridor connectivity, enhance client experience through targeted digital and service improvements, and further embed sustainability and good customer outcomes in day-to-day decision-making.

On behalf of the Board, I would like to thank our customers, colleagues, shareholders and partners for their continued trust and commitment. Together, we remain focused on translating strong connections into confidence and ambition into tangible outcomes.

Signed by:
Andrew Alli
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Andrew Alli
Chairman

"Guided by purpose, committed to progress, delivering lasting value."

Chief Executive's Review

Building Momentum, Connecting Markets

2025 marked the completion of the first year of our five-year strategic plan which is closely aligned with our purpose. Throughout the year, we remained anchored to a shared commitment to connecting clients to opportunity with clarity, integrity and care. Despite a shifting macroeconomic environment and rising expectations across the sector, we maintained focus on what endures: trusted relationships, prudent judgment and purposeful execution across the UK-Africa trade and investment corridor.

We continued to advance our strategic priorities by strengthening corridor connectivity for corporates, financial institutions, and private clients. This was supported by focusing on business enhancement, digital transformation initiatives, and a continued focus on effective risk management to unlock cross-border opportunity. We also simplified client experiences through targeted digital improvements, clearer communications, strengthened financial crime controls and operational resilience, and enhanced our overall risk management framework. Central to this progress was our commitment to fostering an inclusive and accountable culture that enables colleagues to deliver good outcomes for customers.

Looking Ahead: 2026 and Beyond

In the year ahead we will build on these foundations: enhancing client experience, deepening market connectivity and progressing proportionate sustainability practices in our core businesses. Our strategic priorities for the coming year include:

- **Rebuilding earnings momentum** through disciplined growth across our products and businesses.
- **Enhancing efficiency** by completing key digital initiatives and embedding good outcomes for our clients.
- **Strengthening resilience** with continued focus on capital, liquidity, and risk governance.
- **Investing in people and culture** to sustain performance and innovation.

As we move forward, we do so with confidence in our strategy, pride in our colleagues, and a continued commitment to delivering long-term sustainable value for our stakeholders.

"Together, we turn connection into confidence and ambition into outcomes."

Signed by:
66DFEF87BFC64F9...
....
Olukorede Adenowo
Chief Executive Officer

Strategic Report

The Directors of FirstBank UK Limited (‘FirstBank UK’, the ‘Bank’) have the pleasure of presenting their Strategic Report for the year ended 31 December 2025. The preceding Chairman’s Statement and Chief Executive’s Review form an integral part of this Strategic Report.

Who we are

FirstBank UK is a licensed bank in the United Kingdom, authorised by the Prudential Regulation Authority (‘PRA’) and regulated by the Financial Conduct Authority (‘FCA’) and by the PRA. FirstBank UK was incorporated in England and Wales in 2002 as a Limited Company under the Companies Act 1985. Prior to that it had operated as a Branch of its parent company since 1982, being the first Nigerian bank in the UK. Our vision is to be the leading UK bank for African trade and investment, driving responsible growth and providing excellent service. We build our reputation on a highly personalised client service, deep expertise in Nigeria and other African markets, and strong compliance and governance that takes a long-term view of our clients’ interests and our own businesses to ensure the right outcomes and best service for our customers. As their preferred service provider, we create prosperity, changing lives for the better.

FirstBank UK is a subsidiary of First Bank of Nigeria Limited (‘FirstBank’) and an ultimate subsidiary of First HoldCo Plc (formerly FBN Holdings Plc), a publicly listed entity on the Nigerian Exchange. FirstBank is Nigeria’s most valuable banking brand and one of the country’s largest financial institutions in terms of total assets and gross earnings. FirstBank was founded in 1894 as the Bank of British West Africa and was the first financial organisation on the African continent.

FirstBank UK provides banking services to government institutions, financial institutions, corporates and individuals from Europe, Nigeria and sub-Saharan Africa (‘SSA’), with the aim of becoming their preferred UK and European Bank. The Bank is the international banking arm of FirstBank and acts as a correspondent to many African banks. As part of the FirstBank Group, FirstBank UK benefits from the strong support of its parent company. The Bank operates from the City of London with representative offices in France and Nigeria.

Our approach

The Bank’s current strategic plan focuses on embedding stability, generating sustainable profits, and growing its business in a disciplined and controlled manner. The plan is designed to deliver the key strategic imperatives, with good progress achieved to date:

Commercial Business: Enhance the quality of the commercial loan portfolio by selecting well aligned growth opportunities in Corporate Banking; sustain existing correspondent banking opportunities with the FirstBank Group; support the Group-wide drive towards an effective Global Account Management (‘GAM’) programme; grow a capital-light residential mortgage portfolio in the UK; and expand our Markets trading business.

Compliance: Maintain high compliance standards and ensure strict adherence to all applicable regulatory requirements.

Regulatory Relations: Deepen regulatory relationships through regular engagement, timely and accurate reporting, and the embedding of enhanced governance and control procedures.

Strategic Report

People: Create an enabling work environment that attracts top talent, encourages the right behaviours, and empowers colleagues to deliver excellent customer service with accountability. Foster a culture aligned with our purpose, vision and values, while supporting employee wellbeing and sustained engagement with the Bank.

Risk: Promote a disciplined, business-enabling risk culture by strengthening our Enterprise Risk Management framework and embedding our Climate Change Risk Framework.

Revenue Growth and Cost Management: Build a sustainable and resilient revenue base; while optimising the cost structure to reflect the scale, nature, and complexity of the business.

Operational Excellence: Establish an efficient operating infrastructure that supports excellent service delivery by streamlining processes, reducing operational risk and enhancing overall customer experience.

Technology: Upgrade the Bank's technology capabilities through continued investment in resilient infrastructure and the deployment of agile digital platforms that enhance our product offerings and deliver superior customer experiences.

Our business model

FirstBank UK provides banking and financial services to individuals and firms interested in carrying out transactions within Nigeria and other African countries. The Bank's business units offer a wide range of banking products and services, namely:

- **Corporate Banking**: Provides trade and commodity finance, structured finance, corporate lending and advisory services for trading houses and African corporates; and is the primary driver of incremental income through:
  - Sector expertise in energy, mining and metals, and soft commodities, with a focus on enhancing origination and risk management capabilities;
  - Increased engagement with African firms and commodities trading houses, alongside diversification of our existing clientele base; and
  - Improving First Bank of Nigeria Limited's performance across the originate-to distribute value chain by developing risk distribution capabilities and becoming a global asset distribution centre.

- **Private Banking**: Provides offshore private banking solutions to customers of the FirstBank Group and other customers outside the FirstBank Group with a strong focus on Nigerian and Sub-Saharan African high-net-worth individuals.

- **Institutional Banking**: Focuses primarily on African financial institutions, including commercial banks and non-bank financial institutions that provide short-term and medium-term trade finance, and:

  - Leveraging FirstBank's existing financial institution partnerships across its network while expanding strategic relationships at the FirstBank UK level; and
  - Capturing European export flows into Africa, providing risk advisory and mitigation services to European exporters.

Strategic Report

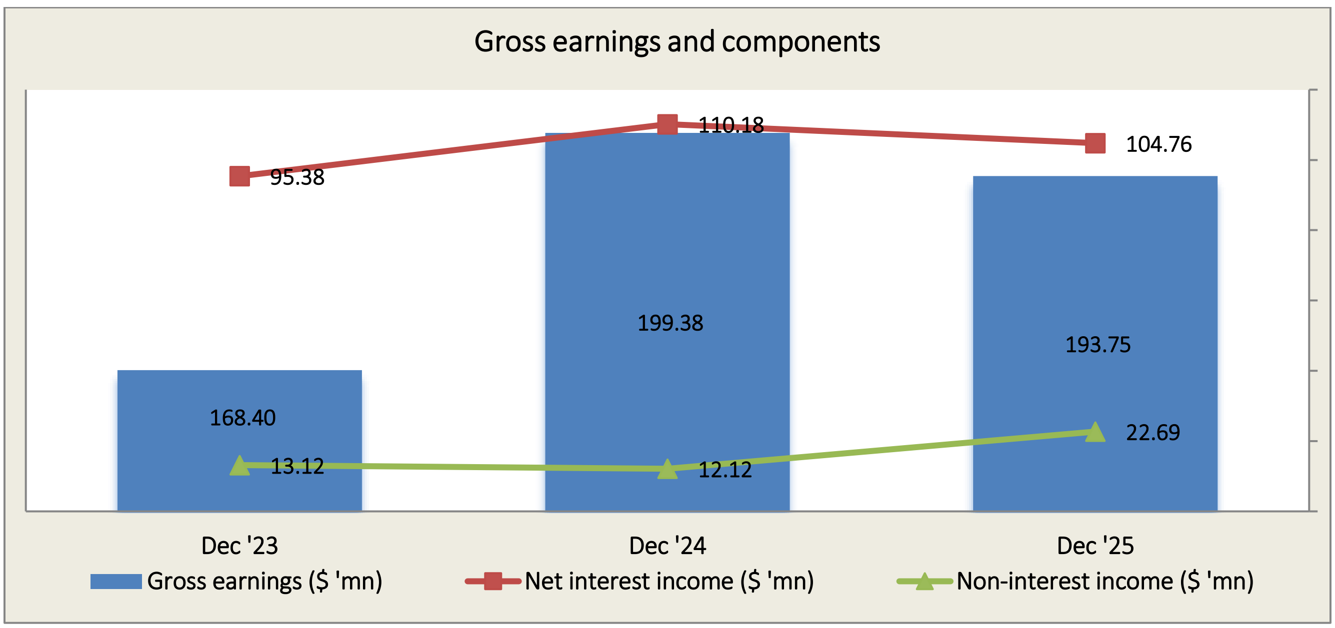
- **Markets**: Enhances our value proposition by serving clients across multiple geographies and providing specialised flow services in capital markets instruments, including Nigerian and Sub-Saharan African (SSA) Eurobonds, Non-Deliverable Forwards (NDF) and Open Market Operation (OMO) bills.

These strategic business units are complemented by the Treasury division which is responsible for the availability of efficient and stable funding to support their growth.

Business Review and Key Performance Indicators

In 2025, the Bank maintained strong resilience in a dynamic operating environment, delivering notable progress in its Corporate Banking growth strategy. Gross earnings declined by 2.8%, and net interest income decreased by 4.9% for the year. This was primarily due to a challenging interest rate environment and a strategic reduction in lower-yielding assets, which the Bank expects will improve profitability in future periods.

Financial Performance Review



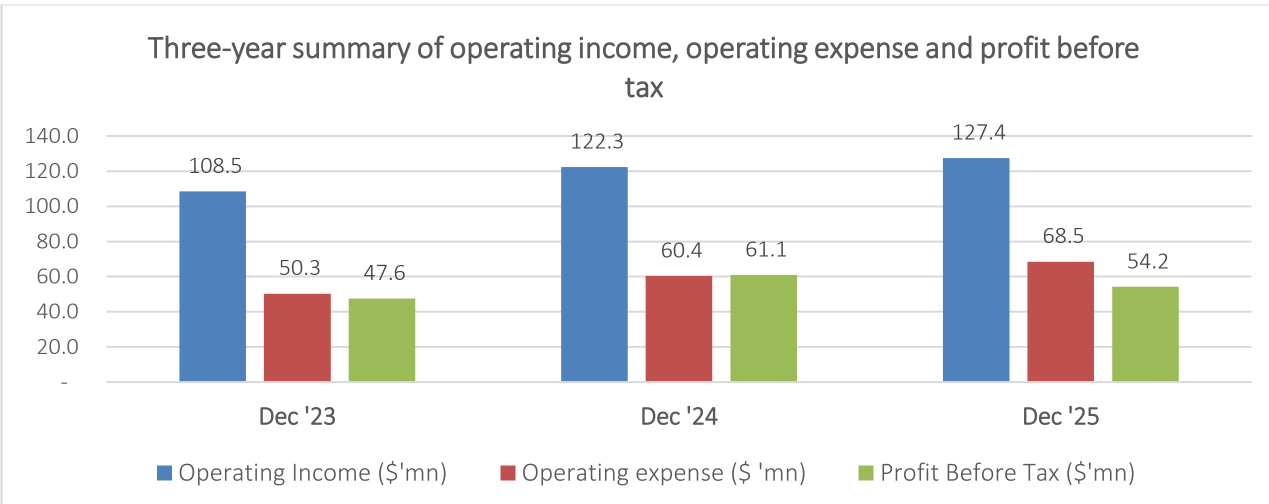
Net Interest Income gross earnings declined by \$5.6mn to \$193.8mn (Dec 2024: \$199.4mn) primarily due to a reduction in interest income. Interest income decreased by 8.6% year on year to \$171.1mn (Dec 2024: \$187.3mn) reflecting lower margins due to base rate cuts and a contraction in the Bank's earning asset portfolio.
Interest income from debt instruments decreased by 12.8% due to shift in funding base while interest on loans and advances to banks and customers declined by 7.3%. Interest income from loans and advances to customers grew strongly by 32% to \$66.6mn (Dec 2024: \$50.3mn) driven by a strategic shift in the Bank's asset mix in support of the expansion of the Corporate Banking portfolio despite the overall reduction in interest income. Interest expense also declined by 13.9% during the year, benefiting from base rate reduction.

Strategic Report

Non-Interest Income increased by 87.2% to $22.7mn (Dec 2024: $12.1mn), driven by higher gains on trading securities following the implementation of the full trading book during the year, as well as increased foreign exchange income on account of favourable rate movement.

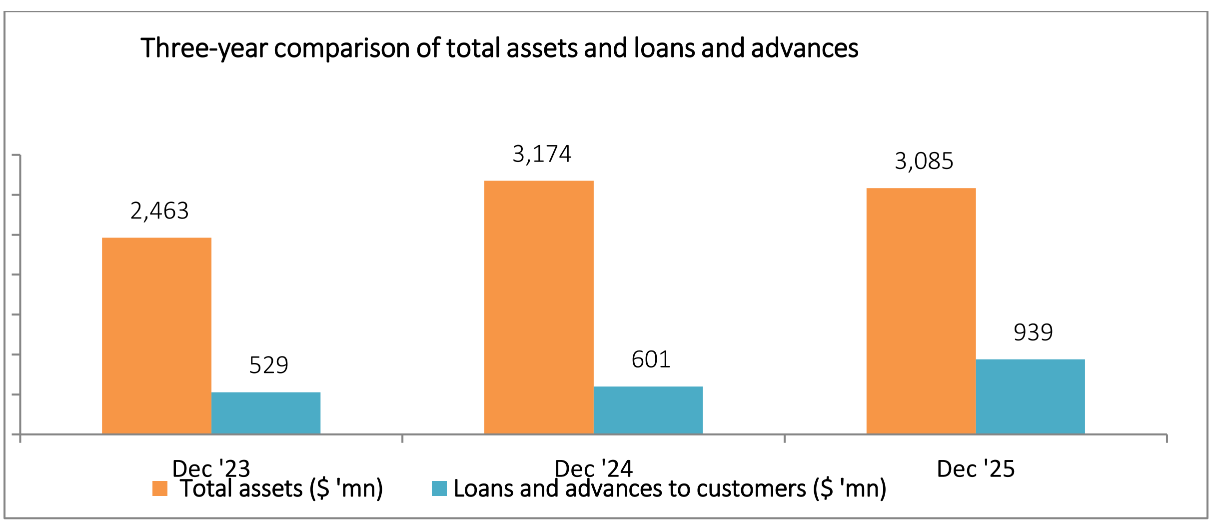
Operating Expense increased by 14% driven by inflationary pressures, ongoing operational enhancements, and strategic business growth initiatives.

Credit impairment charge of $4.7mn (Dec 2024: $0.9mn) due to growth in the commercial asset portfolio.



Statement of Financial Position Review

Assets



Strategic Report

Total assets decreased marginally by 3%, while loans and advances to customers increased significantly by 56%, reflecting the Bank's strategic focus on expanding its corporate banking activities across FirstBank presence countries.

Liabilities and Equity

	2025	2024	Change
	$'mn	$'mn	%
Deposits from Banks	789	1,518	(48%)
Customer Deposits	1,673	1,060	58%
Other Liabilities	139	150	(8%)
Equity	423	382	11%

Deposit liabilities (comprising deposits from banks and customers) declined by 5% during the year, reflecting a 48% reduction in deposits from banks, partially offset by a strong 58% growth in customer deposits. The Bank's retail funding base remained well diversified, supported by continued momentum in its flagship savings product, FirstSave, across its two deposit-aggregator channels. The Bank also continued to benefit from stable funding support across its primary markets, underpinned by long-standing client relationships. Equity increased by 11%, driven by the addition of $40.4 million profit after tax to shareholders' funds.

Capital and Liquidity Management

	2025	2024	Change
	$'mn	$'mn	%
Risk Weighted Assets	1,879	1,396	35%
CET 1 Capital	413	363	14%
Available Capital	451	414	9%
CET 1 Ratio	22.0%	26.1%	
Total Capital Adequacy Ratio	24.0%	29.7%	
Liquidity Capital Ratio (Pillar 1)	282%	278%	

Risk weighted assets increased by 35% year on year reflecting the Bank's focus on expanding its core business and pursuing growth across key markets and related segments. Available capital increased by 9% as profit after tax for the year was added to capital available. The Bank maintained a total capital adequacy ratio of 24%, significantly exceeding regulatory requirements. Liquidity remained consistently strong throughout the year, with the liquidity coverage ratio providing ample buffer above the 100% regulatory minimum.

Strategic Report

Key performance indicators that evidence the Bank's operational effectiveness are:

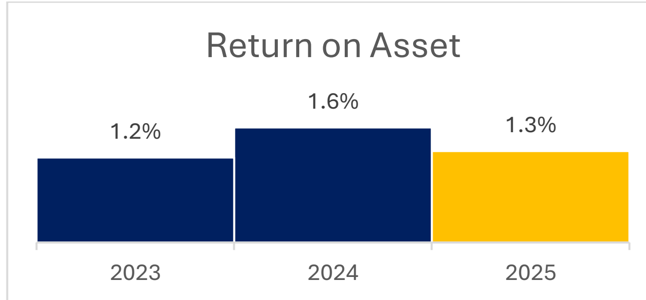
Profit before Tax decreased to $54.18m (2024: $61.07), driven by reduced revenue, elevated operating expenses and increased impairment charge.

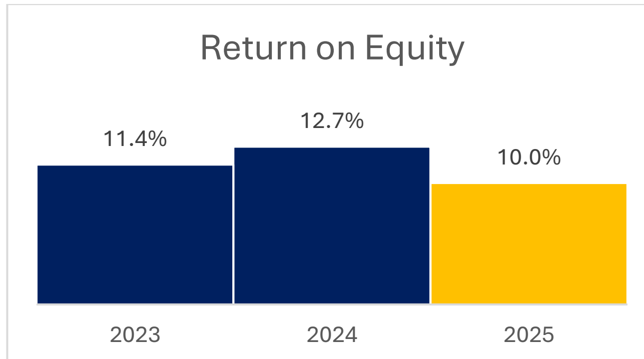
Return on Assets decreased to 1.3% (2024: 1.6%), driven by reduction in profit for the year. This is calculated as profit after tax divided by average total assets.

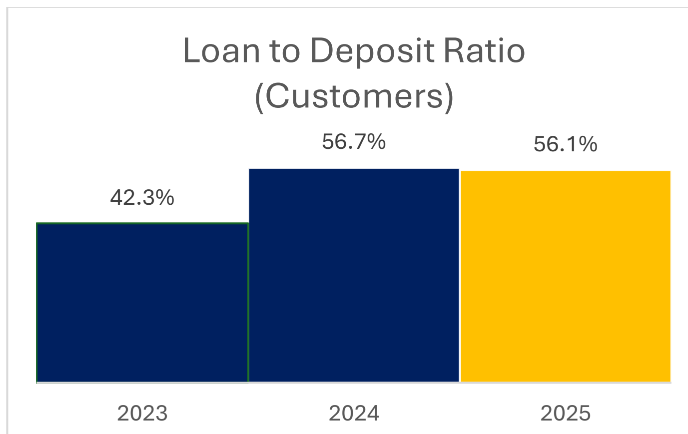
Return on Equity reduced to 10.0% (2024: 12.7%) due to decrease in earnings. This is calculated as profit after tax divided by average shareholders' funds.

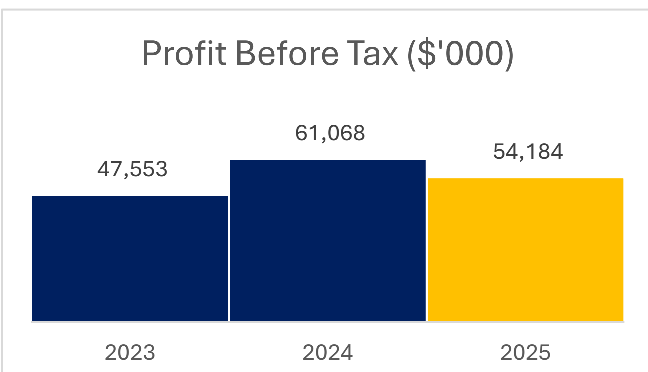
Cost-to-Income Ratio increased to 53.8% (2024: 49.4%), arising from headcount expansion and inflationary pressures on operating expenses. This ratio is calculated as operating cost divided by operating income.

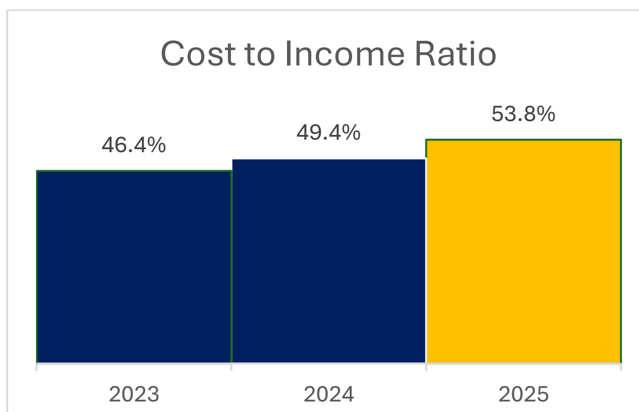
Loan-to-Deposit Ratio decreased to 56.1% (2024: 56.7%), due to 56.2% growth in net loans and advances to customers, while customer deposits also increased by 57.8% year-on-year. The ratio is calculated by dividing loans to customers by customer deposits.











Strategic Report

Risk Review

Introduction

At FirstBank UK, we are committed to robust risk management, ensuring stability and confidence for our stakeholders in a dynamic financial environment. We operate within a comprehensive risk framework that aligns with regulatory standards and industry best practices, emphasizing proactive risk identification, assessment, and mitigation. Our three lines of defence model ensures clear accountability and effective oversight across the organisation.

Our comprehensive risk management framework is designed to proactively identify and address uncertainties that may affect our strategic objectives, operational processes, and financial performance. In line with the regulatory Consumer Duty rules, we are dedicated to acting in the best interests of our customers, consistently striving to deliver positive outcomes. We place strong emphasis on customer protection, ensuring that our risk management practices not only safeguard our financial strength but also promote the well-being and confidence of our clients.

The Board remains committed to upholding a disciplined and structured approach to risk management, fully aligned with regulatory requirements and recognised industry best practices. This framework is designed to enable the organisation to make prudent, well-informed decisions, thereby sustaining the trust and confidence of our clients, regulators, and shareholders. Through the systematic identification and mitigation of principal risks, we ensure preservation of our financial strength, enhancement of long-term shareholder value, and the consistent delivery of services that meet the highest standards of transparency and accountability.

Risk Management Framework

The Bank’s Enterprise Risk Management Framework (ERMF) is designed to provide a structured and disciplined approach to managing risk. It encompasses the activities, tools, techniques, and organisational arrangements necessary to ensure that all material risks faced by the Bank are appropriately identified, understood, and managed. This framework supports our financial sustainability, strategic goal achievement, and enhances our ability to respond to new opportunities.

Strategic Report

Risk Governance and Oversight

The Bank's Board of Directors and Management are committed to operating within a robust corporate governance environment. This is particularly important in times of change or significant growth and is also key given the implications of the Senior Managers Regime (SMR) in connection with good corporate governance. The principles that guide the Bank's risk management strategy are:

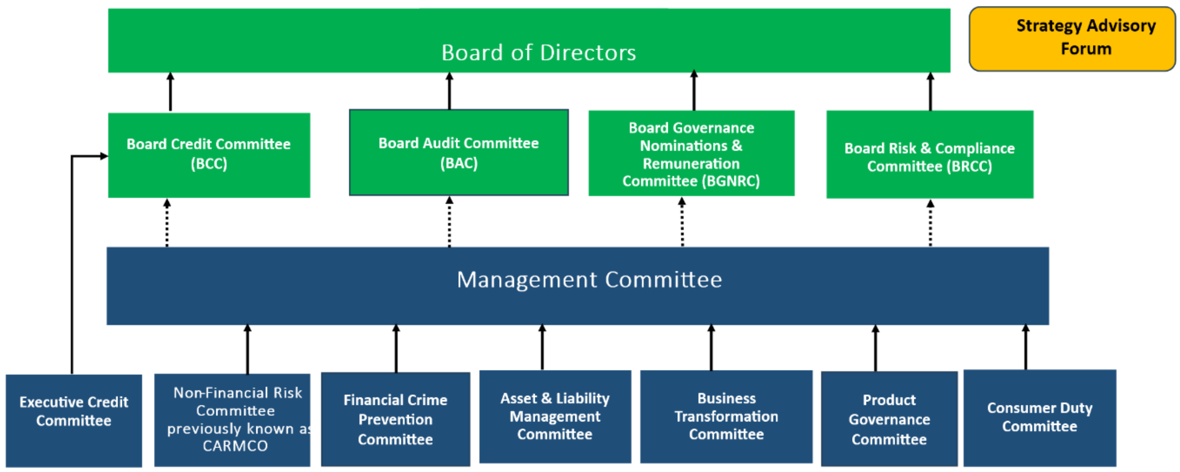
- The Board is responsible for setting risk appetite and an appropriate 'tone from the top'.
- The Bank has a robust Risk Taxonomy and Risk Appetite Framework, which is supported by an approved set of metrics, and reports are presented to relevant governance forums regularly.
- Stress tests and scenario analysis are performed on a regular basis to ensure that the Bank remains sustainable during extreme economic and/ or idiosyncratic conditions.
- The remuneration framework/strategy encourages good outcomes for customers and sound decision-making within the bank's risk appetite. Bank employees are not excessively rewarded for increasing revenues and/or profits.

The Bank's risk governance structure ensures the Board and Senior Management are held accountable for overall risk management. The Board is ultimately responsible for ensuring that the risk management framework and risk governance structure are applied and functions properly.

The risk governance arrangements of FirstBank UK are summarised below.

Strategic Report

FirstBank UK Governance Structure



The dotted line indicates that Management Committee members who are subject matter experts report to the relevant Board Committee after presenting or discussing key matters at the preceding Management Committee meeting.

1

Risk Management

The Bank's Three Lines of Defence model separates risk management responsibilities across the organisation. The first line is responsible for owning and managing risks and operating the associated controls. The second line provides independent oversight, challenge and support to ensure risks are being efficiently managed. The third line offers assurance by evaluating whether the Enterprise Risk Management Framework (ERMF) is effective and operating as intended. Policies and procedures are in place to ensure these roles remain clearly defined and consistently applied.

Risk Culture

FirstBank UK is committed to fostering a strong and healthy risk culture grounded in transparency, openness, continual improvement and accountability. This culture supports informed decision-making and drives effective risk management outcomes across the organisation.

Risk Appetite

The Bank's risk appetite reflects its objective to pursue business opportunities in a disciplined manner, while maintaining risk exposure within acceptable and well-defined limits. The Risk Appetite Statement (RAS) establishes the boundaries within which the Bank operates. The Bank articulates its appetite for each principal risk through qualitative statements, supported by quantitative metrics, describing the level of risk the Bank is willing to across defined risk dimensions.

Risk dimensions represent specific scenarios or drivers that could give rise to one or more principal risks.

Strategic Report

The Bank continually monitors its position against approved appetite thresholds through established governance routines and processes within the ERMF. This includes regular stress-testing, scenario analysis and the monitoring of key risk indicators (KRIs), enabling timely management action where required.

In this regard, the Bank has established a Risk Appetite Statement (RAS) which forms part of the foundational risk policies to guide day-to-day decision making, defining a hierarchy of metrics as follows:

- A high-level expression of the Bank's overall risk appetite.
- Supporting metrics to guide decision making by the Management Committee (MC) and the Board.
- Operational metrics to support day-to-day decision making by line managers.
- Detailed tactical and operational metrics with defined target and tolerance ranges, including prescribed mitigating actions to be taken in the event of a breach.
- The monitoring of all primary risks through risk appetite metrics and/or key risk indicators.

Risk Control Systems

The Bank relies on a comprehensive system of internal controls to reduce inherent risks to acceptable levels. These controls are designed to ensure:

i. Accurate and reliable financial reporting;
ii. Efficient and effective operations; and
iii. Compliance with applicable laws and regulations.

These thereby enable the Bank to manage risks, prevent fraud, maintain integrity, and support its overall objectives and reputation.

The three lines of defence operate collectively, with clearly defined roles and responsibilities, to achieve this by:

- Fostering a strong control environment;
- Conducting risk assessments;
- Designing and implementing control activities in the form of policies and procedures;
- Ensuring effective communication throughout the organisation; and
- Ongoing monitoring of the effectiveness of internal control-related policies and procedures.

The Internal Audit function provides independent assurance to the Board regarding the adequacy and effectiveness of these control arrangements.

Principal and Emerging Risks

The ERMF identifies ten principal risks: Strategic risk, Credit risk, Market risk, Capital risk, Liquidity risk, Operational risk & resilience, Regulatory risk (including conduct risk), Financial Crime risk, Technology & Cyber risk, and Climate change risk. Each principal risk has an assigned executive owner to ensure effective risk management across the Bank, who is responsible for the associated frameworks, policies, standards, and oversight arrangements. In the following sections, we outline the principal risk types that the Bank actively monitors and manages as part of its risk management framework.

Strategic Report

Principal Risks

<table>
<tr><th colspan="2">1. Strategic Risk</th></tr>
<tr><td colspan="2">Accountability: CEO, all management executives</td></tr>
<tr><td>Risk definition (description of risk)</td><td>Risk Impact (potential impact of the risk on the business)</td></tr>
<tr><td>Strategic risk arises from incorrect assumptions regarding external or internal factors, inappropriate business plans, ineffective execution of strategy, or failure to respond in a timely manner to changes in the regulatory, macroeconomic, or competitive environments within the geographic markets in which the Bank operate.</td><td>Poor execution or misalignment of strategy may adversely affect the Bank’s financial performance and its ability to respond effectively to evolving regulatory, economic, and competitive conditions. Failure to meet client and customer expectations whether arising from adverse market conditions, underperformance, product gaps, or changing customer needs may reduce the Bank’s ability to attract and retain business, reduce revenues, and, in severe cases threaten its long-term sustainability.</td></tr>
<tr><td>Risk exposures (exposure to the risk)
FirstBank’s exposure to strategic risk is driven by multiple factors, including:

• Deteriorating macroeconomic conditions in key markets, potentially leading to reduced business activity, higher default rates, and mark-to-market losses on trading and banking book positions.
• Heightened geopolitical tensions or protectionist policies such as reciprocal import tariffs, which may result in supply-chain disruptions and inflationary pressures, thereby affecting growth opportunities and financial performance.
• Ineffective adoption of technology or cyber-security vulnerabilities, which could impair operational efficiency, customer experience, or the Bank’s competitive position.</td><td>Risk measurement (how the risk is measured)
The Bank uses a multi-layered approach to measure strategic risk, including:
• Financial performance indicators, such as return on capital, return on assets, and operational risk losses which serve as early warning signals.
• Scenario analysis to assess resilience under varying strategic and economic conditions.
• Stress-testing of financial plans to evaluate the Bank’s ability to absorb adverse shocks.</td></tr>
<tr><td>Risk mitigation (mitigating strategies to monitor the risk)
The Bank actively employs various strategies to mitigate its exposure to strategic risk:</td><td>Risk monitoring (how the risk is monitored)
Strategic risks are monitored continuously through:
• Regular reporting to, and oversight from executive management and the Board.
• Performance dashboards that track progress against key metrics and help to identify emerging risks.</td></tr>
</table>

Strategic Report

• A robust and inclusive strategy development process that ensures alignment with the Bank's purpose, vision, and values. • Clearly defined and measurable strategic objectives to guide resource allocation and performance monitoring. • Strong governance structures and appropriately skilled personnel to support effective execution of strategy.	• Continued stress-testing, scenario analysis, and risk assessments to evaluate vulnerabilities in strategy execution. • Periodic review of strategic effectiveness to ensure continued alignment with the Bank's operating environment and long-term objectives.
2. Credit Risk	
Accountability: Executive Director, Business Development; Chief Risk Officer	
Risk definition (description of risk) Credit risk is the risk of loss arising from the failure of a borrower or counterparty to meet its contractual obligations. It arises when the Bank commits to, or enters into, lending or other credit-related agreements with a borrower or counterparty	Risk Impact (potential impact of the risk on the business) The crystallisation of credit risk may materially affect the Bank's financial condition and operational performance. Key potential impacts include: • Revenue loss arising from borrower defaults or delayed repayments. • Capital and earnings pressure resulting from sustained exposure to high-risk sectors or obligors. • Liquidity constraints that may impair the Bank's ability to meet its short- and long-term obligations. • Reduced profitability driven by increased expected credit loss (ECL) provisions and diminished capital available to support growth. • Legal and recovery costs associated with enforcement actions or dispute resolution. • Heightened regulatory scrutiny during periods of sustained credit deterioration. • Erosion of stakeholder confidence, including that of customers, investors, and correspondent banking partners, particularly in the event of high default levels.
Risk exposures (exposure to the risk) Credit risk is influenced by both internal and external factors. Broader economic conditions, borrower-specific vulnerabilities, and the composition of the loan portfolio shape the Bank's overall exposure. External shocks such as macroeconomic downturns, market volatility,	Risk measurement (how the risk is measured) The Bank measures and monitors credit risk using established Key Risk Indicators (KRIs), including: • Non-Performing Loan (NPL) Ratio: Measures the proportion of loans past due beyond a specified threshold (e.g., 90 days) relative to total portfolio.

Strategic Report

<table>
<tr><td>currency fluctuations, natural disasters, or sector-specific disruptions may impair borrowers' repayment capacity and increase the likelihood of default.</td><td>Cost of Risk: Represents annualised credit-related expenses as a percentage of average gross loans.
Weighted Average Risk Rating: Aggregates internal risk ratings across loan categories to provide an overall portfolio-level risk assessment.
Concentration Risk Indicators: Monitor exposure levels by sector, obligor, and country to ensure compliance with established limits.</td></tr>
<tr><td>Risk mitigation (mitigating strategies to monitor the risk)
Mitigation strategies include:
Establishing concentration limits across countries, sectors, and obligors to ensure appropriate portfolio diversification.
Implementing robust credit policies with clearly defined terms, supported by structured credit scoring methodologies and disciplined underwriting standards, including strict adherence to delegated approval authorities.
Deploying an Early Warning System (EWS) to identify borrowers exhibiting signs of potential default through continuous monitoring of financial, behavioural, and external indicators. This enables timely intervention such as enhanced monitoring or restructuring to minimise losses, improve recoveries, and preserve portfolio stability.
Conducting ongoing portfolio performance monitoring against defined risk appetite metrics.
Structuring transactions with appropriate collateral and credit enhancements to strengthen credit protection.</td><td>Risk monitoring (how the risk is monitored)
Credit risk is monitored across the Bank's three lines of defence:
First Line of Defence
Relationship Managers and Business Managers monitor borrower performance, covenant compliance, and adherence to loan terms.
An early-warning framework supports proactive identification of financial stress through continuous monitoring of borrower performance, industry trends, and macroeconomic developments.
Second Line of Defence
The Credit Risk Management function independently assess policy effectiveness, conduct periodic portfolio reviews, and challenges first-line credit assessments.
Stress testing and scenario analysis are undertaken to assess resilience under adverse conditions and to inform strategic and risk management decisions.
Third Line of Defence
Internal Audit conducts independent reviews of credit risk management practices to ensure alignment with regulatory requirements and industry best practice.</td></tr>
<tr><td colspan="2">3. Market Risk</td></tr>
<tr><td colspan="2">Accountability: Chief Financial Officer; Chief Risk Officer</td></tr>
<tr><td>Risk definition (description of risk)
Market risk is the risk that adverse changes in market conditions such as movements in interest rates, foreign exchange rates, equity prices, credit</td><td>Risk impact (potential impact of the risk on the business)
Sustained periods of high asset price volatility may impair the Bank's ability to execute client</td></tr>
</table>

Strategic Report

spreads, or other market variables may negatively impact the value of assets and liabilities or materially affect earnings.	transactions efficiently, potentially reducing client flow–driven income and resulting in market-to-market losses on existing asset portfolios. • Financial losses including reduced income, impairments of interest rate sensitive instruments, assets write-downs, and deterioration of key profitability metrics such as return on equity. • Capital pressure arising from increased provisioning requirements which may affect capital adequacy ratios.
Risk exposures (exposure to the risk) • Interest rate risk: Exposure to adverse movements in interest rates affecting fixed-income securities, loan portfolios, and interest-sensitive positions. • Foreign exchange risk: Exposure to fluctuations in currency exchange rates that may affect earnings, valuations and/or liquidity.	**Risk measurement (how the risk is measured)** • Value-at-Risk (VaR): Estimates the potential loss in portfolio value over a defined time horizon at a specified confidence level. • Sensitivity analysis: Assesses the impact of changes in individual market variables on portfolio valuations. • Stress-testing: Models extreme but plausible market scenarios to evaluate portfolio resilience and potential vulnerabilities. • Credit spread risk: Measures the impact of widening or narrowing credit spreads relative to a risk-free benchmark.
Risk mitigation (mitigating strategies to monitor the risk) • Aligning the interest rate profile of assets and liabilities to create natural hedges. • Maintaining disciplined limits on interest rate exposures covering both upside and downside risks in line with the Bank's approved risk appetite. • Actively managing asset and liability pricing and repricing cycles. • Implementing hedging strategies to minimise earnings volatility arising from foreign exchange movements. • Utilising market risk management tools such as Value at Risk (VaR) limits, stop-loss thresholds, duration limits, and counterparty exposure	**Risk monitoring (how the risk is monitored)** • The Bank maintains robust market risk policies and procedures which are reviewed and updated regularly. • Management's Asset & Liability Committee (ALCO) meets at least monthly to review interest rate, liquidity and market-related exposures, checking alignment with the Bank's risk appetite and established triggers. • A comprehensive monitoring framework operates across the three lines of defence to ensure independent and rigorous oversight of market risk.

limits to ensure compliance with approved risk appetite. • Continuously monitoring market conditions and proactively adjusting of portfolios and exposures as required.	
4. Capital Risk	
Accountability: Chief Financial Officer	
Risk definition (description of risk) Capital Risk is defined as the risk that the Bank maintains a sub-optimal quantity or quality of capital or that capital is inefficiently allocated across the Bank.	Risk impact (potential impact of the risk on the business) Inadequate capital levels can materially affect the Bank's financial resilience, regulatory standing, and reputation. Key impacts include: • Increased financial vulnerability arising from reduced loss-absorbing capacity and liquidity pressures. • Potential breaches of regulatory capital requirements, which may result in enhanced supervisory scrutiny, operational restrictions, and reputational damage. • Reduced capacity to support lending activities and strategic growth initiatives, thereby constraining profitability and long-term objectives.
Risk exposures (exposure to the risk) • Increased sensitivity to macroeconomic downturns or financial stress, potentially eroding capital buffers through higher credit losses and reduced earnings. • Rising levels of non-performing loans or customer defaults, resulting in elevated impairment charges and pressure on capital. • Adverse market movements including interest rate, bond, or foreign exchange volatility leading to investment losses and reduced capital adequacy. • Ineffective execution of business strategies that strain on capital resources or weaken earnings generation.	Risk measurement (how the risk is measured) • Capital Adequacy Ratio (CAR): Assesses whether the Bank maintains sufficient regulatory capital relative to its risk-weighted exposures. • Leverage Ratio: Measures the Bank's core capital against total exposures, including off-balance-sheet items. • Stress-Testing and Scenario Analysis: Quantifies potential capital requirements under adverse economic and financial conditions

Strategic Report

<table>
<tr><td>• Litigation costs or significant operational failures that give rise to unexpected financial losses.</td><td></td></tr>
<tr><td>Risk mitigation (mitigating strategies to monitor the risk)
• Regular Stress-Testing: Conducting comprehensive assessments to evaluate the Bank’s ability to maintain adequate capital under severe but plausible scenarios.
• Capital Planning: Maintaining a robust capital planning framework to ensure ongoing compliance with regulatory requirements while supporting sustainable business growth.
• Strengthened Risk Management Framework, enhancing risk identification, monitoring, and early-intervention mechanisms to actively address potential capital shortfalls.</td><td>Risk monitoring (how the risk is monitored)
• Performing periodic Internal Capital Adequacy Assessment Processes (ICAAP) reviews to evaluate capital sufficiency under both normal and stressed conditions.
• Conducting stress tests aligned with severe yet plausible macroeconomic and financial scenarios.
• Continuously monitoring risk-weighted assets (RWAs) and adjusting capital strategies to reflect changes in the Bank’s risk profile.
• Forecasting forward-looking capital requirements to support strategic planning and sustainable business growth.
• Ensuring effective oversight by the Board and senior management.</td></tr>
<tr><td colspan="2">5. Liquidity Risk</td></tr>
<tr><td colspan="2">Accountability: Chief Financial Officer</td></tr>
<tr><td>Risk definition (description of risk)
Liquidity risk is the risk that the Bank may be unable to meet its expected or unexpected cash flow obligations as they fall due, while continuing to support its business activities, clients, and customers across varying economic conditions.</td><td>Risk impact (potential impact of the risk on the business)
• Reputational damage: Loss of customer confidence leading to deposit withdrawals.
• Funding constraints: Reduced assess to stable and cost-effective funding sources.
• Regulatory consequences: Potential sanctions or supervisory intervention arising from non-compliance with liquidity requirements.
• Solvency pressure: Inability to meet financial obligations as they fall due, which could ultimately threaten the Bank’s viability.</td></tr>
<tr><td>Risk exposures (exposure to the risk)
• Asset–liability mismatches: Differences in the maturity or repricing profiles of assets and liabilities that may create liquidity gaps.</td><td>Risk measurement (how the risk is measured)
• Liquidity Coverage Ratio (LCR): Assesses the Bank’s ability to withstand a 30-day stressed liquidity scenario.</td></tr>
</table>

• Funding concentration: Dependence on a limited number of depositors or funding sources, increasing vulnerability to sudden withdrawals or funding disruptions. • Market disruptions: External events that restrict access to funding markets or materially reduce available liquidity.	• Net Stable Funding Ratio (NSFR): Measures the stability of long-term funding over a one-year horizon. • Balance sheet composition metrics: Monitoring of asset-liability mix thresholds and related structural liquidity indicators.
Risk mitigation (mitigating strategies to monitor the risk) • Funding diversification: Securing funding from a broad range of providers, products, and markets to reduce concentration risk. • Asset–liability management (ALM): Aligning the maturity and repricing profile of assets and liabilities to minimise liquidity gaps. • High-quality liquid assets (HQLA): Maintaining an adequate portfolio of unencumbered liquid assets readily convertible into cash. • Regulatory compliance: Ensuring ongoing adherence to Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and internal liquidity limits. • Cash flow planning: Actively monitoring and forecasting liquidity positions while maintaining sufficient buffers to absorb unexpected outflows.	Risk monitoring (how the risk is monitored) • A comprehensive liquidity risk monitoring framework operates across the Three Lines of Defence. • Ongoing oversight is exercised by the Board and senior management to ensure alignment with approved liquidity risk appetite.
6. Operational Risk & Resilience	
Accountability: COO; all management executives	
Risk definition (description of risk) Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or from external events. This includes legal risk but excludes strategic and reputational risk.	Risk impact (potential impact of the risk on the business) • Financial losses: Arising from fines, legal proceedings, fraud, or operational disruptions or control failures. • Reputational damage: Erosion of customer confidence, diminished market credibility, and potential loss of business opportunities. • Business disruptions: Impaired service delivery, reduced productivity, and weakened operational efficiency.

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Risk exposures (exposure to the risk)	Risk measurement (how the risk is measured)
• Process & Execution Failures: Errors arising from poorly designed or inadequately executed processes (e.g., transaction processing and payment errors). Material processing errors and elevated error rates may adversely affect customer outcomes and regulatory compliance. • People related risks: Human error, inadequate supervision, ineffective escalation practices, and capability gaps, including insufficient training or automation. • External events and business continuity risk such as natural disasters, pandemics, industrial action, or weaknesses in business continuity planning that may impair the Bank's ability to maintain critical operations. • Operational resilience failure: Inability to sustain important business services during disruptions, leading to customer detriment and regulatory breaches. • Legal and litigation risk: Claims arising from operational failures, potentially resulting in financial loss and reputational damage. • Data protection risk: Material personal data breaches reportable to the Information Commissioner's Office (ICO). • Third-party risk: Poor third-party performance, failure to meet agreed service levels, or inadequate control environments that fall below the Bank's operational, regulatory, or security standards. • Governance risk: Gaps in oversight, challenge, committee effectiveness, or accountability that may weaken risk ownership and monitoring. • Model risk: Incorrect model assumptions, data quality deficiencies, or flawed methodologies that may result in mis-estimation of risk, capital requirements, expected credit losses (ECL), pricing, or provisioning.	• Internal and external loss data analysis provides insight into exposure levels, emerging trends, and control effectiveness. • Risk and Control Self-Assessments (RCSA): to evaluate inherent risk, control design and operating effectiveness, and residual risk across the Bank. • Key Risk Indicators (KRIs): to provide early warning signals of emerging risk exposures and control weaknesses. • Scenario analysis and stress-testing: Assess the financial and operational impact of severe but plausible operational risk events. • Incident reporting and trend analysis to Identify recurring issues, systemic control weaknesses, and process deficiencies. • Operational resilience thresholds by defining maximum tolerable disruption to important business services before material customer detriment or regulatory impact occurs.

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<table>
<tr><td>Risk mitigation (mitigating strategies to monitor the risk)
Robust policies, procedures, and internal controls to prevent operational and model risk events, supported by Operational Resilience and Consumer Duty frameworks.
A structured Risk and Control Self-Assessment (RCSA) process to ensure effective identification, evaluation, and management of risks.
Systematic recording and analysis of risk events, including near misses, to support remediation, thematic review, and trend monitoring.
A clearly articulated operational risk appetite framework defining acceptable and unacceptable risk thresholds, behavioural expectations, and key metrics for early issue detection.</td><td>Risk monitoring (how the risk is monitored)
The Bank employs a Three Lines of Defence model to oversee the management and monitoring of operational risk and resilience.</td></tr>
<tr><td colspan="2">7. Regulatory Risk (including conduct risk)</td></tr>
<tr><td colspan="2">Accountability: CEO; all management executives</td></tr>
<tr><td>Risk definition (description of risk)
Regulatory risk is the risk of financial loss, operational disruption, or reputational damage arising from changes in laws, regulations, or supervisory expectations, or from failure to comply with applicable regulatory requirements.

Conduct risk is the risk that detriment is caused to clients, customers, markets or the Bank, as a result of inappropriate behaviour, poorly designed products or processes, inadequate judgement, i breaches of regulatory obligations, or material negligence in the execution of activities.</td><td>Risk Impact (potential impact of the risk on the business)
Potential impacts of regulatory risk include:
Financial losses, including fines, penalties, compensation payments, legal costs, and the loss of business opportunities.
Reputational damage, such as diminished customer and stakeholder confidence and erosion of brand value.
Operational disruption, including resource diversion, remediation burdens, and potential challenges in attracting and retaining talent.
Regulatory sanctions, such as license restrictions, suspensions, or revocations, and other formal enforcement actions.</td></tr>
<tr><td>Risk exposures (exposure to the risk)
The Bank is exposed to regulatory and conduct risk through:</td><td>Risk measurement (how the risk is measured)
Regulatory risk is measured through:</td></tr>
</table>

Strategic Report

• Frequent and evolving regulatory changes, increasing the risk of inadvertent non-compliance. • Misinterpretation or misunderstanding of regulatory requirements. • Delays in implementing new or amended regulatory obligations. • Insufficient communication, awareness, or training regarding regulatory responsibilities.	• Regular risk assessments to identify and evaluate the impact of current and emerging regulatory requirements on the Bank's operations. • Monitoring, testing, and assurance activities to assess compliance effectiveness and identify control weaknesses. • Key Risk Indicators (KRIs) that provide early warning signals of increasing regulatory risk exposure.
Risk mitigation (mitigating strategies to monitor the risk) Mitigation strategies include: • Continuous horizon scanning to monitor emerging regulatory developments and supervisory priorities. • Active engagement with regulators on key themes, supervisory findings, and areas of focus. • Ongoing communication and targeted training to ensure employees understand regulatory expectations and compliance obligations. • Deployment of technology and automation to enhance compliance processes and reduce manual control risk.	**Risk monitoring (how the risk is monitored)** Regulatory risk is monitored through the Bank's three lines of defence model: • First Line of Defence: Responsible for identifying, assessing, and managing regulatory risks within business areas, including implementation of the Financial Crime Risk Management Framework and the Compliance Risk Management Framework. • Second Line of Defence: Provides independent oversight, challenge, and guidance to ensure effective adherence to regulatory frameworks and supervisory expectations. • Third Line of Defence: Delivers independent assurance through internal audit reviews.
8. Financial Crime Risk	
Accountability: CEO; all management executives	
Risk definition (description of risk) Financial crime risk is the risk of financial, reputational or regulatory loss arising from the Bank's exposure to money laundering, terrorist financing, fraud, sanctions breaches, bribery and corruption, or other criminal activities. This may occur through onboarding clients, executing transactions, or supporting client business activities where the Bank may be exposed to the proceeds of crime or other illicit conduct.	**Risk impact (potential impact of the risk on the business)** • Financial losses: Regulatory fines and penalties, legal costs, compensation payments, and loss of business where relationships are restricted or terminated. • Reputational damage: Erosion of customer and stakeholder trust and adverse impact on market perception. • Regulatory impact: Enforcement actions, operational restrictions, enhanced reporting requirements, license suspensions, increased

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	supervisory scrutiny and mandatory remediation programmes. • Operational losses arising from fraud attempts, process failures or weakness in onboarding, Know Your Customer (KYC), and sanctions screening controls.
Risk exposures (exposure to the risk) • Customer Onboarding & Due Diligence Failures: Exposure arising from on-boarding or maintaining relationships with clients whose activities may involve the proceeds of crime, or who present elevated money-laundering, terrorist financing, or sanctions risk. • Transaction monitoring and failures by inadequate detection of suspicious activity, including unusual payment patterns, third-party account usage, structuring, or transactions involving high-risk or sanctioned jurisdictions. • Internal (staff-perpetrated) fraud risk: Fraudulent activity perpetrated by employees through abuse of position or control weaknesses. • External fraud (by clients or third parties): Fraud committed by clients, counterparties, or third parties, including payment fraud and social engineering attacks.	Risk measurement (how the risk is measured) • Use of financial crime KRIs (Key Risk Indicators) to monitor exposure and control effectiveness. • Inherent and residual risk scoring based on periodic financial crime risk assessments. • Risk-rating models applied to customers and transactions (AML/KYC) and sanctions screening. • Control monitoring and assurance outcomes, where red-rated findings indicate breaches of defined risk tolerance thresholds.
Risk mitigation (mitigating strategies to monitor the risk) • Establish a robust governance framework (Three Lines of Defence) • First Line of Defence Operational Management: Implementation of controls, adherence to policies, identification of emerging risks, and screening and monitoring of customer activity. • Second Line of Defence Risk Management, Compliance & MLRO: Development of financial	Risk monitoring (how the risk is monitored) • Thematic reviews conducted as part of compliance assurance programme, particularly across KYC, sanctions screening, transaction monitoring (TM), and financial crime controls. • Formal monitoring and testing plans to ensure continuous oversight. • Deployment of artificial intelligence and machine learning tools to enhance sanctions and adverse

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crime frameworks and policies, customer risk-rating, independent oversight of controls, and monitoring of the financial crime risk environment. • Third Line of Defence Internal Audit: Provision of independent assurance on the effectiveness and design of financial crime controls.	media screening, with appropriate governance and explainability controls.
9. Technology and Cyber Risk	
Accountability: COO	
Risk definition (description of risk) Technology and cyber risk is the risk of financial loss, operational disruption, customer detriment, or reputational damage arising from failures, inadequacies, obsolescence, or compromise of technology systems. This includes risks associated with software or hardware failures, cyberattacks, and events that impact the confidentiality, integrity or availability of information systems.	Risk Impact (potential impact of the risk on the business) • Operational Disruption & Service Downtime: Technology failures arising from obsolescence, design weaknesses, or inadequate resilience may impair delivery of critical services. • Technology and cyber events may result in immediate losses as well as longer-term remediation and recovery costs. • Cyber events may affect the confidentiality, integrity, or availability of information assets. • Reputational damage: Loss of customer trust and adverse stakeholder perception following significant technology or cyber incidents.
Risk exposures (exposure to the risk) • System design weaknesses and legacy infrastructure: Outdated technology, insufficient redundancy, or weak security architecture, increasing vulnerability to cyber incidents. • Disaster recovery and resilience gaps: Inadequate recovery capabilities exposing the Bank to prolonged service disruption. • External cyber threats: Hacking attempts, malware, phishing attacks, zero-day vulnerabilities, and other malicious activities. • Human factor risk: Insufficient cybersecurity awareness among staff increasing exposure to social engineering and credential compromise.	Risk measurement (how the risk is measured) • Critical system downtime (hours per quarter). • Number of material software/hardware failures per quarter. • Percentage of business-critical systems not updated, lacking redundancy or lacking adequate cyber protection. • Phishing test failure rate expressed as a percentage of the test population. • Average time to contain and remediate material cyber incidents. • Service disruptions metrics relating to critical third-party providers.

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• Privilege and access control weaknesses: Misuse or inadequate control of system access rights and administrative privileges.	
Risk mitigation (mitigating strategies to monitor the risk) • IT Resilience & Disaster Recovery: Establishment of IT disaster recovery and business continuity (BCP) plans and the running of regular testing exercises. • Conduct business impact analysis and validate the Bank's ability to recover critical services within tolerance. • Protection of confidentiality, integrity & availability. • Implement rigorous onboarding, periodic evaluation, and continuous monitoring of third-party and multi-tier suppliers with annual validation of adherence to cybersecurity standards.	**Risk monitoring (how the risk is monitored)** • Risk and Control Self-Assessments (RCSA) to identify and assess technology and cyber risks, supported by KRIs to detect deteriorating trends. • Scenario analysis & stress-testing to assess resilience under severe but plausible cyber events. • System Availability (Critical System Downtime): Ongoing monitoring of system availability which includes tracking critical system downtime. • Monitoring and reporting of material technology failures (software or hardware). • Phishing simulation outcomes used to strengthen staff awareness and training. • First Line of Defence: Day-to-day monitoring, incident escalation, and system management. • Second Line of Defence: Independent oversight, challenge, validation of KRIs, and reporting to management and Board committees.
10. Climate Change Risk	
Accountability: CEO; all management executives	
Risk definition (description of risk) The Bank is exposed to climate change risk through two primary channels - **physical risk** and **transition risk**. **Physical risks** arise from acute events such as heatwaves, floods, wildfires, and storms as well as chronic shifts in climate patterns, including rising average temperatures, changes in precipitation levels, sea level rise, and increased weather variability. These risks may affect the Bank directly or indirectly through its counterparties and operations. **Transition risks** arise from policy, legal, technological, market, and reputational changes associated with the transition to a net-zero	**Risk impact (potential impact of the risk on the business)** • Financial losses: Reduced business opportunities, increased credit risk exposures, and potential constraints on funding access where climate-related regulatory expectations are not met. • Reputational damage: Negative stakeholder perception, adverse media coverage, and reduced customer confidence arising from inadequate sustainability practices. • Business continuity issues arising from physical climate risks (e.g., extreme weather events) impacting operations, assets, or client performance.

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<table>
<tr><td>emissions economy. This transition may require significant structural adjustments across sectors and geographies, affecting asset values, funding costs, and borrower resilience. As part of managing the financial risk arising from the climate change, the Bank seeks to identify, quantify, and manage its exposure under different climate-related risk scenarios.</td><td></td></tr>
<tr><td>Risk exposures (exposure to the risk)
• The Bank’s borrowers could potentially be affected by climate-related disruptions such as extreme weather, flooding and wildfires impacting their financial health thereby increasing default rates and non- performing loans especially in sectors vulnerable to environmental changes.
• The Bank’s trading and investment portfolio may be subject to revaluation pressures due to shifts in investor preferences towards sustainable investments, carbon pricing or stranded assets in sectors affected by net zero transition policies.
• Increasing regulations could require the Bank to increase its capital buffers, adjust its lending policies or improve its ESG disclosures.
• Delayed adaptation to the low-carbon transition, failure to innovate sustainable finance products, misalignment with global climate frameworks and green washing may weaken the Bank’s position, profitability, and growth potential.</td><td>Risk measurement (how the risk is measured)
Key measurement approaches include:
• Scenario analysis and stress-testing to assess potential financial impacts under a range of climate scenarios which includes extreme weather events, carbon tax increases etc.
• Carbon emissions monitoring – the Bank is actively monitoring its scope 1, 2 and 3 and relevant scope 3 greenhouse gas emissions to establish a baseline and track progress towards net-zero targets.
• Sector exposure analysis: Evaluation of portfolio concentrations in climate-sensitive or high-emitting sectors to identify elevated transition and physical risk exposure</td></tr>
<tr><td>Risk mitigation (mitigating strategies to monitor the risk)
• Climate change risk has been integrated into the Bank’s Risk Management Framework and processes, including incorporation into credit assessments, loan approvals, portfolio monitoring and reporting processes.</td><td>Risk monitoring (how the risk is monitored)
• The Bank’s Climate Change Risk Framework provides a structured approach to identifying, accessing, monitoring, and mitigating climate-related risks.
• Annual risk assessments are conducted to evaluate the impact of climate change risk.</td></tr>
</table>

• Periodic climate scenario analysis and stress testing to access the potential financial impact of acute and chronic physical risks and transition risks. • Strengthened climate risk governance and oversight, ensuring that climate-related financial risks are embedded in strategic planning, capital management, and business decision-making processes.	• Climate risks are embedded cross-functionally within other principal risk categories, including credit, market, operational, and strategic risk.

Non-financial highlights

Culture and Corporate Values

Our customers remain at the centre of everything we do. This commitment is embedded in our purpose, guided by our vision, and reflected in the values that shape our culture and behaviour. During the year, we continued to strengthen this foundation; deepening relationships, improving how we listen and respond; and ensuring that every interaction reflects the trust placed in us.

We foster a culture grounded in ethical conduct, accountability and responsible decision-making. We are committed to acting in the best interests of our customers, shareholders, and the wider community, while maintaining consistently high standards of quality, compliance and governance.

We are equally committed to cultivating an inclusive and diverse workforce that values different cultures, experiences, and perspectives. This commitment shapes how we support our colleagues, and how we conduct business across the markets in which we operate. Our values-driven approach guides every engagement, and we hold ourselves to rigorous standards in our interaction with counterparties, market participants, and regulators. Across all locations, we strive to uphold professionalism, integrity, and respect.

Protecting the integrity of the financial system remains fundamental to our operations. We continue to strengthen internal controls and operating standards, working towards best-in-class practices in governance, risk management, and compliance.

By embedding our values into daily operations, we seek not only to achieve organisational success but also to deliver sustainable, long-term impact for the communities we serve and the wider industry.

Communities and the Environment

At FirstBank UK, we recognise that sustainable business performance is intrinsically linked to the wellbeing of our customers, communities, and the environment.

We are committed to generating positive social impact through charitable giving and community initiatives. In 2025, FirstBank UK supported a range of charitable causes, reinforcing our ongoing commitment to responsible corporate citizenship.

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In line with our environmental objectives, we continue to reduce direct carbon emissions through improved operational efficiency and the adoption of technology-enabled solutions. We also prioritise lending to environmentally sustainable partners in accordance with our Climate Change Risk Framework, ensuring that our financial activities support the transition to a more sustainable economy.

Human Rights and Modern Slavery Act

The Bank is committed to upholding its Human Rights Policy and Modern Slavery Statement. Our supply chain primarily comprises UK-based providers of IT-enabled enterprise and software services, as well as office-related goods and services. We engage with global suppliers and require assurance that none benefit from or contribute to any form of modern slavery or human trafficking. Our vendor due diligence processes have been strengthened to validate supplier compliance with our standards and applicable legislation.

Based on the assessment of our employment structure and supply chain, the Bank considers its risk of infringement under the Modern Slavery Act to be low. In addition, our Whistleblowing policy provides a secure and confidential channel for raising concerns. All reported matters are thoroughly investigated, and appropriate actions are taken to address any issue raised.

Anti-Bribery and Corruption

The Bank's Anti-Bribery and Corruption Policy apply across all areas of its operations. We are committed to conducting business with honesty, transparency, and ethical integrity. The Bank maintains a zero-tolerance approach to bribery and corruption and is dedicated to acting professionally, fairly and with integrity in all business relationships and transactions. Robust systems and controls are in place to prevent, detect and address bribery and corruption risks. To reinforce awareness and accountability, all employees, including new joiners, complete mandatory annual training on anti-bribery and corruption requirements.

Corporate and Social Responsibility

The Bank is committed to operating in a socially responsible and ethically grounded manner, ensuring that all its activities comply with applicable laws and uphold the high standards of integrity. We do not engage in business activities that conflict with our ethical principles or legal obligations. This disciplined approach supports responsible decision-making and sustainable long-term performance.

Handling Complaints

The Bank seeks to manage all customer complaints with fairness, transparency, and professionalism. Although regulatory requirements formally apply to eligible complainants, we apply consistent standards of care and diligence in the handling of all complaints.

The Board and the management fully support the Bank's complaint-handling framework, recognising its importance in delivering good customer outcomes. Controls are in place to ensure complaints are addressed appropriately and to identify recurring or systemic issues. Root cause analysis is conducted regularly, and corrective actions are implemented where necessary. In addition, concerns raised by employees are treated with equal seriousness and addressed through established internal channels.

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Leadership

The Bank is led by a skilled and internationally experienced leadership team with deep expertise in African trade and cross-border banking. The leadership team promotes a professional, accountable and collaborative environment that supports sustainable growth and strong customer outcomes. Our people remain central to our success. Their expertise, commitment, and diverse perspectives shape our culture and contribute to the Bank's continued development.

Information and Cyber Security

The Bank continues to invest in robust cyber security capabilities to protect its information assets and maintain operational resilience. As part of this commitment, the Bank is now ISO 27001 and Cyber Essentials Plus certified, reinforcing our dedication to maintaining the highest standards of security and operational resilience. A multi-layered defence framework is in place to prevent, detect and respond to cyber threats. We actively monitor emerging risks, enhance security protocols, and provide real-time threat intelligence where appropriate. Ongoing employee education and client communication initiatives further strengthen awareness and reduce exposure to fraud and cyber-related risks.

IT and Data Management

The Bank has implemented key application enhancements through its automation programme, improving operational efficiency and responsiveness to customer needs. Data is treated as a strategic asset, enabling better decision-making, innovation, and service delivery. Continued investment in data management infrastructure supports improved analytics capabilities, enhanced customer experience, and sustainable competitive advantage.

Directors' section 172 (1) statement

The Directors provide this statement describing how they have had regard to the matters set out in section 172 of Companies Act 2006 when performing their duty to promote the success of the Company. The statement considers how the Directors have engaged with and had regard to the interest of stakeholders.

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its members, and in doing so had regard, amongst other matters, to:

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

In its discussions and decision-making, the Board considers regular reports from senior management on issues concerning its various stakeholders, the environment and its communities. In addition, the Board undertakes training to enhance its understanding of key issues impacting the Bank's stakeholders.

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Furthermore, members of the Board have had interactions with various stakeholders including regulators and key customers.

We have discussed our leadership, culture and values, as well as our approach to handling complaints within the non-financial highlights section on page 28 of this Strategic Report.

Regulators

The members of the Board and senior management maintained an open and cooperative engagement with the Bank's regulators.

During the year, the Bank continued to engage actively with its regulators, as the Board and senior management held regular meetings with both the PRA and FCA to keep them continually updated on the business and operational performance of the Bank. All regulatory requirements were identified, tracked, and acted upon by the Bank which gave due consideration to regulatory impact throughout its activities.

Customers

The Board is supportive of management in making appropriate decisions that provide the best outcome for our customers in all circumstances. The Bank aims to deliver innovative solutions to its customers in a cost-effective way that always deliver good outcomes. Fees and charges are disclosed to clients in line with regulatory requirements and industry best practice. The Bank retains a team of experienced relationship managers that interact with its customers regularly while also creating opportunities for customers to meet its directors, so providing constant feedback to management. Frontline employees are trained to identify and support vulnerable customers.

Employees

The Board recognises the criticality of employees' wellbeing to the performance of the Bank, and seeks to expected behaviours that are aligned with the Bank's purpose, vision and values. It recognises performance management, talent development and promoting the right culture as giving the right impetus for growth.

The Bank has undertaken a culture transformation journey to re-define its culture through an employee led strategy. This objective was pursued through iterative workshops and surveys focused on identifying and distilling the desired outcomes. This has helped the Bank to set key priorities and develop action plans aimed at embedding the desired culture, while ensuring the Bank is a great place to work. The Board has fully supported management's initiatives aimed at promoting the financial, emotional, and mental health of employees. The Bank is also an equal opportunities employer and committed to equality and diversity enshrined in its 'being inclusive' value.

Suppliers

As part of the Bank's outsourcing and operational resilience procedures, management met regularly with key strategic partners and suppliers to perform due diligence reviews to ensure that a good standard service delivery was maintained. Regular management information and reports were provided to relevant internal committees.

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Maintaining a Reputation for High Standards of Business Conduct

The Board requires that the Bank fully complies with the Senior Manager and Certification Regime set by the FCA and the PRA, which sets out high standards and accountability for personal and business conduct; and it receives regular reports from HR and Compliance in this respect. The HR Department conducts an annual exercise of reviewing that all senior managers and certified staff are fit and proper. The Bank seeks to create an environment of good culture and values and of holding to a high standard of good conduct.

Shareholders

The Board is committed to delivering sustainable growth and returns to its shareholders, on a consistent basis in line with the strategic aspiration of the Bank. Taking into consideration the importance to our shareholders, and investors in First Holdco Plc more broadly, of the long-term security and soundness of the Bank and the sound preservation of its balance sheet, the Board encouraged management to ensure that lending decisions would continue to be taken prudently, notwithstanding our growth aspiration.

The Board is pleased to end the year with a strong capital position and wishes to thank its shareholders for their continued support. In determining the timing of dividends payment in future, the Board will continue to consider relevant factors, including the expectations of our shareholders, the long-term value of retaining capital to grow the business, the level of profits after tax available to distribute and the maintenance of appropriate levels of capital in line with the Bank's risk appetite and regulatory requirements.

Future Prospects and Going Concern

The Directors of the Bank, recognising their obligation to assess whether the Bank can continue as a going concern for the twelve months following the signing of the accounts, have performed an assessment of going concern. The Bank’s business activities, financial performance, capital levels, liquidity and funding positions and risk management approach are described in other sections of this annual report.

In undertaking this assessment, the Directors considered the risks faced by the Bank, including from the regions served by the Bank, and in particular the Nigerian market and the economic uncertainty associated with it. Central to the assessment is the Bank’s three-year financial forecast, which undergoes stress-testing. The Bank has a robust process for managing and mitigating the key uncertainty with regards to the level of expected credit losses (ECL) related to customer lending, arising from stress on macroeconomic variables such as global output contraction, a drop in oil price, or variations in foreign exchange rates. This is consistent with the approach adopted in the Bank’s Internal Capital Adequacy Assessment Process (ICAAP). The Bank assessed downside scenarios of varying severity and determined that it would be able to continue to operate with sufficient capital and liquidity to meet regulatory requirements, even in severe but plausible scenarios.

The Bank measures and manages liquidity adequacy in line with its liquidity risk appetite metrics and maintains a liquidity and funding profile to enable it to meet its financial obligations under normal, and stressed, market conditions. Liquidity ratios remain very strong and above regulatory and risk appetite limits. The Bank’s over-arching risk appetite is to maintain sufficient liquidity resources to ensure a ‘survival period’ of at least twelve months against any severe yet plausible adverse liquidity stress.

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The Directors concluded that the Bank has adequate resources to continue in operational existence during this time and that it is appropriate for the Bank's financial statements to be prepared on a going concern basis.

Operational resilience

Operational resilience remains a key focus for the Bank.

A series of scenarios setting out the crystallisation of severe but plausible combinations of significant risks was developed to support planning and appropriate forward-looking risk management strategies. To diverse and evolving array of threats, both external and internal, as well as developing, strengthening or adapting the Bank's existing control capability to be able to absorb and adapt to such disruptions.
Throughout the year, the Bank operated a hybrid working model but can switch back to a remote working arrangement, with minimal key staff attending the office, at any time and without notice. This remote working arrangement has been further enhanced by using two combined technologies for the purposes of operational redundancy. Furthermore, our governance structure for remote working continued to be enhanced for effective management of a heightened risk environment, as we seek to continue providing a seamless and uninterrupted service to our customers while ensuring the safety and wellbeing of our staff.

Taxation payments

The Bank is resident only in the United Kingdom with representative offices in France and Nigeria. It makes appropriate periodic tax payments including income tax, PAYE and national insurance contributions deducted from employee wages and salaries to the tax authorities in all jurisdictions. The Bank complies with the United Kingdom's Code of Practice on Taxation for Banks.

Approval

This report was approved and authorised for issue by the Board of Directors on 27 March 2026 and signed on its behalf by:

Signed by:
Margaret Fakoya
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....
Margaret Fakoya
Company Secretary

FirstBank UK – Task Force on Climate-related Financial Disclosures (TCFD) Report

Introduction

FirstBank UK is pleased to present its inaugural Task Force on Climate-related Financial Disclosures (TCFD) report. Since the issuance of the Prudential Regulation Authority's Supervisory Statement SS3/19, the Bank has undertaken sustained initiatives to strengthen climate-related risk management. These initiatives include the development of internal expertise, the enhancement of stakeholder engagement both internal and external and the integration of climate considerations into the Bank's risk identification and mitigation processes.

In early 2021, the Bank introduced its Climate Change Risk Management Framework (CCRF) to evaluate the potential business, strategic, and financial implications of climate-related risks, which intersect with multiple other risk categories. Climate change risk is formally recognised as one of the Bank's Principal Risks within the Enterprise Risk Management Framework, underscoring its significance within the overall risk governance structure. The 'Risk Management' section of this report provides further detail on the processes established to identify, assess, and manage these risks.

Climate risk management is embedded within the Bank's governance framework. Oversight rests with the Board and its committees, with ultimate responsibility for the CCRF residing at the Board level. At the management level, the Climate Risk function is led by the Chief Risk Officer. A dedicated Climate Risk Steering Group, comprising senior representatives from Risk, Business and Operational functions, oversees the implementation of the climate risk framework and strategy. This is supplemented by climate-specific processes undertaken by the Climate Risk team. Governance arrangements are described in detail in the 'Governance' section of this report.

In 2024, the Bank commenced its Net Zero programme, underpinned by a comprehensive Net Zero Roadmap that sets out defined ambitions and actions. A key milestone within this roadmap was the alignment of disclosures with TCFD standards; and the Bank continued this progress in 2025.

The Bank has also begun measuring its Scope 3 greenhouse gas emissions, complementing the Scope 1 and Scope 2 emissions data disclosed since 2022. Emissions data for all three scopes are presented in the 'Metrics and Targets' section. It should be noted that data limitations persist, particularly in relation to the availability and quality of information from the Bank's lending and investment portfolio, which is predominantly based in Africa. The Bank is implementing a targeted action plan to enhance data quality and consistency over time.

The Bank remains committed to advancing its climate risk management capabilities. Regular gap analyses are undertaken to assess the Bank's current positioning and to identify the steps required to achieve its strategic objectives in this evolving area of risk.

Governance

The Climate Change Risk Management Framework (CCRF) consists of a detailed governance structure outlining roles and responsibilities, starting from the Board, which has ultimate oversight of the CCRF. This oversight is executed through its committees, supported by a clearly defined 'Three lines of Defence model'. The roles and responsibilities are outlined below:

The Board

The Board has the ultimate oversight on the governance of the CCRF and ensures that climate-related and environmental risks are considered when developing the Bank's overall business strategy, business objectives and risk management framework.

Board Risk and Compliance Committee (BRCC)

The Board Risk and Compliance Committee is responsible for overseeing the development and implementation of the CCRF and its associated risk appetite. It also oversees the appropriateness of risk measurement systems and scenario analysis, and it monitors the Bank's progress against climate-related risk targets or exposures on an annual basis.

Management Committee (MC)

The Management Committee (MC) is responsible for the successful implementation of the CCRF. Its responsibilities include making recommendations to the BRCC and the Board regarding the adequacy of policies governing the CCRF, assessing capital adequacy and liquidity requirements under climate risk scenarios, managing regulatory requirements related to climate change risks, identifying climate risks and opportunities, and ensuring that these are efficiently embedded within the Bank's strategy.

At the senior management level, the Senior Management Function (SMF) responsible for Climate risk is the Chief Risk Officer. Other SMFs and staff have defined roles and responsibilities under the CCRF in accordance with the Bank's 'Three lines of Defence' model. This structure is further supported by climate risk specific processes undertaken by the Climate Risk team.

Strategy

Climate risk and financing the clean transition are significant considerations for the Bank's strategy, as they create both risks and opportunities for the Bank in the short, medium, and long term. The Bank has formulated a Net Zero Road map, underpinned by three strategic pillars— 'Ambition, Actions and Accountability'—to increase the Bank's resilience in the global transition to a low-carbon economy by embedding climate change considerations into its business strategy and planning.

Risks and opportunities

The Bank is exposed to Climate risk through its lending activities and operations.

The most material risks that could arise are linked to the financial risks stemming from the deterioration of the creditworthiness of counterparties within the Bank's lending portfolios, reductions in the value of collateral assets, and declines in market values within its investment portfolios. However, the transition to a green economy also presents a variety of opportunities for the Bank, particularly in areas such as green and sustainable finance, where products are being developed to support the transition to a net-zero economy and to work with our clients to facilitate their own transitions. An in-depth view of the risks and opportunities identified by the Bank is outlined below.

Physical Risk

Climate-related physical risks arise from both acute events, such as floods, wildfires, and storms, and chronic changes, including rising temperatures and shifting precipitation patterns. These risks can disrupt borrowers' operations and supply chains, potentially affect their financial stability and increasing default risk. Additionally, such events may impact the Bank's own operations or those of third-party vendors, posing threats to business continuity and liquidity.

Transition Risk

Transition risks arise from the shift to a low-carbon economy, driven by evolving policies, technologies, societal expectations, and legal frameworks. These changes can affect borrowers' business models and financial health, increasing credit and market risks. Companies that are slow to adapt may face asset devaluation, reputational damage, or litigation, while the Bank may encounter regulatory challenges and implementation costs. Evolving climate regulations across jurisdictions further compound these risks, requiring robust governance and strategic adaptation.

Net Zero Roadmap

In early 2024, the Board approved the Bank's Net Zero Roadmap, setting out a structured programme of objectives and milestones to be delivered in two phases:

- **Phase One (2024–2026)** – Foundational actions and early implementation
- **Phase Two (2027 onwards)** – Ongoing initiatives and long-term commitments

The roadmap aligns with the Bank's recently approved five-year strategy, in which Environmental, Social and Governance (ESG) considerations and climate risk management are identified as strategic priorities. The Bank views the implementation of its Net Zero strategy, alongside green and sustainable finance initiatives, as both a responsibility and a commercial opportunity—enabling the development of new revenue streams while contributing to positive environmental change.

As part of this strategy, the Bank is actively exploring the introduction of green finance products, which will be developed and launched in accordance with the roadmap.

Risk Management

Climate risk is recognised as a Principal Risk within the Bank's Enterprise Risk Management Framework (ERMF) and is embedded as a cross-cutting factor influencing credit, market, operational, conduct, and legal/regulatory risks.

The Climate Change Risk Management Framework (CCRF) provides the structure for identifying, measuring, monitoring, managing, and reporting climate-related financial risks. Regular reporting to the Board ensures informed and timely decision-making.

Risk Appetite

The Bank has established climate-related risk appetite metrics, with a key focus on reducing levels of climate risk in its lending portfolio and operations. Specific metrics apply to different components of the lending portfolio; alongside additional metrics aimed at reducing operational risk arising from third party vendors.

Areas of significant risk concentration are monitored through Key Risk Indicators (KRIs) and risk appetite metrics, which are reported to the Board annually.

Climate Risk Ratings

Climate risk assessments are conducted using a Risk Quantification Matrix, along with other assessment and modelling tools. This process applies to all risk types and is undertaken at least annually either during borrower reviews or as part of the annual risk reporting cycle.

For non-credit risks, assessments are performed at a high level (low/medium/high) based on expert judgement by risk owners. For credit risk, climate and ESG assessments are integrated into the credit application process, drawing on publicly available data and information obtained directly from customers. For the mortgage portfolio, carbon emissions are estimated using EPC ratings, while flood risk ratings are derived from either the Groundsure Climate Index or National Flood Risk assessments published by Gov.UK, which assesses physical climate impacts (flooding, ground instability, coastal erosion).

Operational Climate Risk

Operational climate risk is managed primarily through initiatives aimed at reducing energy consumption in the Bank's offices. Energy use and associated carbon emissions are measured and reported annually under the Streamlined Energy and Carbon Reporting (SECR) framework.

An Energy Savings Opportunities Scheme (ESOS) audit has been completed, identifying opportunities to further reduce energy consumption.

Horizon Scanning

Emerging climate-related risks are monitored through participation in industry forums attended by the Climate Risk Manager. Horizon scanning is also undertaken jointly by the Compliance and Regulatory teams to monitor emerging regulatory and policy developments.

Metrics and Targets

Operational Carbon Footprint

- **Scope 2**: In 2024, total Scope 2 emissions were 89.6 tCO_2e, with an intensity of 0.45 tCO_2e per employee. Energy efficiency initiatives are expected to reduce this further.
- **Scope 3 (Category 1 – Purchased Goods & Services)**: 1,161 tCO_2e, calculated using expenditure data and UK Government emissions factors.
- **Scope 3 (Category 6 – Business Travel)**: 427.8 tCO_2e, based on data from the Bank's travel agency partner.
- **Scope 3 (Category 7 – Employee Commuting)**: 84 tCO_2e, derived from a staff commuting survey (60% participation rate).

Financed Emissions

Financed emissions have been measured in accordance with the Partnership for Carbon Accounting Financials (PCAF) methodology. Data sources range from verified emissions disclosures provided by corporate borrowers or issuers to proxy-based estimates. Each company is assigned a data quality score in line with the PCAF guidance.

Net Zero Targets

Net Zero Targets are currently being developed in line with the Bank's strategic ambitions. These targets will be aligned with internationally recognised climate science and industry standards.

Directors' Report

The Directors have pleasure in presenting their report together with the audited Financial Statements for the year ended 31 December 2025.

Details of important events affecting the Company (the 'Bank', or 'FirstBank UK') since the financial year-end can be found in the notes to the Financial Statements, and an indication of likely future developments can be found in the Strategic Report.

Results and Dividend

The Financial Statements have been prepared in accordance with United Kingdom adopted International Financial Reporting Standards ("UK adopted IFRS") and the requirements of the Companies Act 2006. The profit after tax for the year amounted to US$40.41mn (2024: US$45.78mn). The Directors do not recommend the payment of dividend for the year ended 31 December 2025 (2024: Nil).

Capital Structure

There was no increase in the Bank's authorised or issued share capital during the year. Further information on the Bank's share capital can be found in Note 26 to the Financial Statements.

Further information regarding the Bank's approach to risk management and its capital adequacy is contained in the unaudited disclosures prepared in accordance with current regulatory capital requirements (see the Pillar 3 disclosures which will be published on the Bank's website at https://www.fbnbank.co.uk/ after the approval of these Financial Statements).

Activities

The Bank is authorised under the terms of the Financial Services and Markets Act 2000. It is authorised by the Prudential Regulation Authority ('PRA') and is regulated by the Financial Conduct Authority ('FCA') and the PRA.

The Bank operates from the City of London with representative offices in France and Nigeria.

The Bank continues to provide banking services to existing and new customers with business interests across Africa, Europe and other international markets.

Business Review

The Bank is an authorised banking institution providing a range of banking and financial services. There were no significant changes in the Bank's principal activities during the year under review. The Directors are not aware, as at the date of this report, of any material changes to the Bank's activities expected in the forthcoming year.

The Directors support the Bank's drive to enhance productivity through continued investments in human capital and technology. These investments are considered essential to the Bank's long-term sustainability.

Directors' Report

Directors

The Directors, who served during the year and up to the date these Financial Statements were signed were:

Mr. Andrew Alli	Chairman, Independent Non-Executive Director
Mr. Patrick Crawford CB	Independent Non-Executive Director
Ms. Mfon Akpan	Independent Non-Executive Director
Dr. Catherine Raines	Independent Non-Executive Director
Mr. Oluwatosin Adewuyi	Non-Executive Director (Resigned 19 February 2025)
Mr. Olusegun Alebiosu	Non-Executive Director
Dr. Olaitan Martins	Non-Executive Director (Appointed 01 May 2025)
Mr. Olukorede Adenowo	Chief Executive Officer (CEO)
Mr. David Davis	Deputy CEO/Chief Financial Officer
Mr. Olalekan Adelekan	Executive Director, Business Development

Remuneration paid to the directors is disclosed in note 9 to the Financial Statements.

Financial Risk Management Objectives and Policies

The Bank's objectives and policies regarding financial risks and other risks are set out in the Strategic Report and Note 31 to the Financial Statements.

Going Concern Basis of Accounting

In preparing the Bank's Financial Statements, the Directors are required to:
- Assess the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Bank, or to cease operations, or have no realistic alternative but to do so.

In assessing the appropriateness of the going concern basis, the Directors considered the Bank's financial position, the cash flow requirements underpinning its forecast and the potential risks that may affect its future development and performance. The Bank remains profitable and continues to generate additional regulatory capital through retained earnings. The amortisation of the Bank's Tier 2 capital, for regulatory purposes commenced in March 2024, and is therefore no longer fully available as part of the Bank's capital forecast.

The Bank has modelled a range of macroeconomic scenarios and developed corresponding capital and liquidity forecasts. Reverse stress-testing has also been performed indicating that the Bank has sufficient capital and liquidity buffers to withstand the most severe but plausible scenarios assessed.

The Bank's business activities, financial position, capital, factors likely to affect, and its objectives and policies in managing the financial risks to which it is exposed are discussed in the future prospects and going concern section of the Strategic Report, these are also discussed within the Chief Executive Officer's statement on page 3.

Directors' Report

The Directors have evaluated these risks in the preparation of the Financial Statements and consider it appropriate to prepare the Financial Statements on a going concern basis.

Streamlined Energy and Carbon Reporting (SECR)

This section includes our mandatory reporting of greenhouse gas emissions for the period 1 January 2025 to 31 December 2025 and is pursuant to the Companies Act 2006 (Strategic Report and Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which came in force on 1 April 2019.

The table below shows the Bank's total energy consumption and greenhouse gas emissions for the relevant period and actions it has taken to reduce energy consumption and carbon output.

	2025	2024
Energy consumption used to calculate emissions: kWh	Electricity: 226,858 kWh Total: 226,858 kWh	Electricity: 432,853 kWh Total: 432,853 kWh
Emissions from combustion of gas tCO2e (Scope 1)	N/A	N/A
Emissions from business travel in company owned vehicles (Scope 1)	N/A	N/A
Emissions from purchased electricity (Scope 2, location-based)	40.2 tCO2e	89.6 tCO2e
Intensity ratio: tCO2e gross figure based on above mandatory fields	0.19 tCO2e per average number of colleagues on site (210 employees).	0.75 tCO2e per average number of colleagues on site (120 employees).
Methodology	Carbon Emission Factors used in calculations are the 'Government conversion factors for company reporting of greenhouse gas emissions'. Annual factors for 2025, published on 10 June 2025, have been used in the calculations of carbon emissions for this report. Electricity invoices, average number of employees on-site and energy efficiency actions provided by FirstBank UK Limited.	Billing/invoice data, average number of employees on-site throughout 2024 was provided by FirstBank UK Limited and energy efficiency actions.
Energy Efficient Actions taken	Completion of LED lighting upgrade project. The implementation of more efficient IT equipment throughout the organisation, with servers migrated to cloud and laptops being commonly used than desktop computers.	AC control management improvements. The implementation of greater recycling infrastructure and increased awareness programs.

Directors' Report

Preparation of financial statements

The Directors have elected to prepare the Company's accounts in accordance with United Kingdom adopted International Financial Reporting Standards ("UK adopted IFRS").

The Directors consider that, in preparing the Financial Statements, the Bank has used appropriate accounting policies, supported by reasonable judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors are satisfied that the Annual Report and Financial Statements, taken as a whole, provide the information necessary for its shareholders to assess the Bank's position and performance, business model and strategy. Directors are responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Innovation and Change

The Bank continues to invest in initiatives aimed at driving growth and enhancing overall competitiveness, reducing costs, improving customer experience, increasing revenues, and supporting expansion into adjacent products or regions. During the year, the Bank invested in a range of automation initiatives to enhance customer experience, particularly in onboarding and service delivery. Optimisation of the Bank's IT infrastructure also continued to gain traction, including the migration of its core banking platform to cloud-based solutions supporting improved operational resilience and reduction in carbon emissions. The Bank is introducing artificial intelligence (AI) in a controlled, phased, and regulator-aligned manner. The approach spans governance, productivity tooling, process automation, customer engagement, and risk management.

Post balance sheet events

Post balance sheet events are disclosed in note 37 to the Financial Statements.

Directors' indemnity

The Bank maintains Director's and Officers' Liability Insurance, which provides cover for the Directors and key managers against claims arising from alleged wrongful acts, up to a limit of £15m (2024: £15m).

Directors' Report

Auditor

Each of the Directors as at the date of approval of this report confirms that:

- To the best of their knowledge, there is no relevant audit information of which the Bank's auditor is unaware; and
- They have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Bank's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Forvis Mazars LLP will continue to hold office as the Bank's Statutory Auditor.

Approved and authorised for issue by the Board of Directors and signed by order of the Board:

Signed by:
Margaret Fakoya
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Margaret Fakoya
Company Secretary
For and on behalf of
FirstBank UK Limited
Date: 27 March 2026

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 the law, the Directors have elected to prepare the Company's financial statements in accordance with United Kingdom adopted International Financial Reporting Standards ("UK adopted IFRS"). Under company law, the Directors must not approve the Annual Report and Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

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

- Select and apply appropriate accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures where compliance with the specific requirements in UK adopted IFRS is insufficient to enable users to understand the impact of particular transactions, events or conditions on the entity's financial position and financial performance; and
- Assess the Company's ability to continue as a going concern.

The Directors are responsible for maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Company and that enable them to ensure that its Annual Report and Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and, consequently, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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Independent auditor's report to the members of FirstBank UK Limited

Opinion

We have audited the financial statements of FirstBank UK Limited (the 'Bank') for the year ended 31 December 2025 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including a summary of material accounting policy information.

The financial reporting framework that has been applied in their preparation 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 its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the directors' assessment of the Bank's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern;
- Obtaining the directors' going concern assessment, including the forecast for the going concern period covering at least 12 months from the signing this audit opinion;
- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the Bank's future financial performance;
- Challenging the appropriateness of the directors' key assumptions in their forecasts, by reviewing supporting and contradictory evidence in relation to these key assumptions and assessing the

directors' consideration of severe but plausible stress scenarios on the Bank's capital and liquidity positions. This includes assessing the viability of mitigating actions within the directors' control;

- Assessing the reasonableness and testing the arithmetical accuracy of the forecasts prepared by the directors, including evaluating the historical accuracy of past forecasts;
- Engaging our in-house Prudential risk experts to assess the adequacy of the Bank's capital and liquidity positions with reference to the most recent Internal Capital Adequacy Assessment Process ('ICAAP') and Internal Liquidity Adequacy Assessment Process ('ILAAP'), including review of underlying assumptions, judgements and estimation uncertainty involved;
- Evaluating the directors' assessment of the Bank's ability to continue as a going concern, including consideration of the specific risks identified by management;
- Considering the consistency of the directors' forecasts with other areas of the financial statements and our audit;
- Inspecting correspondence with the Prudential Regulation Authority ('PRA') and Financial Conduct Authority ('FCA') and holding bilateral discussions with the PRA;
- Considering post balance sheet events to identify events or conditions that may impact the Bank's ability to continue as a going concern; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements on 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.

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) we identified, including those 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.

We summarise below the key audit matter in forming our opinion above, together with an overview of the principal audit procedures performed to address this matter and our key observations arising from those procedures.

This matter, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

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<table>
<tr><th>Key Audit Matter</th><th>How our scope addressed this matter</th></tr>
<tr><td>

Allowance for credit losses – Expected Credit Loss

Refer to material accounting policy information Note 2c and Notes 12, 14, 15, 16, 18a and 25 of the financial statements.

As at 31 December 2025, the Bank has an expected credit loss (‘ECL’) allowance of $30.5m (2024: $24.9million) in the statement of financial position. The credit impairment charge recognised in the Bank’s Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025 was $4.7million (2024: $0.9million).

The Bank has diverse loan portfolio involving Corporate, Retail and Institutional Banking clients across the United Kingdom, Nigeria and other African countries where the Group (First Bank of Nigeria Limited) operates.

The estimation of ECL on credit exposures, involves significant judgement and estimation uncertainty.

A model is used to calculate the level of ECL. The model is reliant on a number of subjective assumptions and sensitive to changes and movements in these assumptions.

The key areas involving significant management judgement and increased audit focus in the Bank’s estimation of ECL are:

- The selection and application of the Probability of Default (PD);
- The selection and application of the Loss Given Default (LGD);
- The probability weighted scenarios determined using forward looking information;
- Staging of loans and the identification of significant increase in credit risk; and
- Individually assessed impairment: Management performs an individual assessment on its stage 3 exposures which is a highly manual and judgemental

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Our audit procedures included, but were not limited to:

- Assessing the design and implementation, and testing the operating effectiveness, of key controls over the ECL process, including monitoring and reporting of credit exposures;
- Assessing the Bank’s ECL methodology and assessing its compliance with the requirements of IFRS 9;
- With the assistance of our in-house credit modelling specialists:
  - Assessing and challenging the appropriateness of the Bank’s IFRS 9 impairment methodology, including testing and challenging the reasonableness of the assumptions, assessing the appropriateness of the model’s design;
  - Performing an independent re-performance of the ECL using the rules defined in the Bank’s ECL methodology;
- With the assistance of our in-house economists, assessing and challenging the reasonableness of macroeconomic scenarios and the associated probability weightings applied in the ECL model;
- With the assistance of our in-house valuation experts, assessing and challenging the reasonableness of collateral valuations within the mortgage portfolio on a sample basis;
- Testing key data elements used in the ECL calculation, including PDs and LGDs by agreeing to supporting documentation, including collateral valuation reports;
- Performing independent credit file review testing on stage 3 loans and challenge management on the application of significant increase in credit risk for a sample of counterparties to identify indicators of deterioration in credit quality and assess the appropriateness of the staging and associated ECL estimate;
- Performing a stand-back assessment of the allowance for credit losses, by considering loan portfolio credit quality and benchmarking against peer banks using staging percentages and provision coverage ratios; and
- Assessing the disclosures to ensure it addresses uncertainty in expected credit losses, including disclosures on sensitivity analysis and key judgements.

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process, with several assumptions applied such as the probability weightings and LGD. We identified this area as significant risk and key audit matter in our audit as it involves application of significant judgement by management and therefore requires significant focus in the audit. The level of risk has remained consistent with the prior year.	**Our observations** We concluded that the allowance for credit losses recognised as at 31 December 2025 was reasonable, and the approach taken in respect of ECL was in compliance with the requirements of IFRS 9.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	$2,709,000 (2024: $2,928,000)
How we determined it	5% of Profit before taxation ('PBT') (2024: 5% of PBT)
Rationale for benchmark applied	We set materiality using a benchmark of PBT. PBT is a primary measure used by the shareholder in assessing the performance of the Bank and is a generally accepted benchmark for determining audit materiality. It is the metric in the primary statements which best reflects the focus of the users of the financial statements. This benchmark is standard for financial institutions and consistent with the wider industry.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at $1,354,000 (2024: $1,171,000) which represents 50% (2024: 40%) of overall materiality. In determining the performance materiality, we considered a number of factors, including the effectiveness of internal controls and the history of misstatements, and considered that an amount towards the lower to middle of our normal range was appropriate. The increase in the performance materiality percentage from 40% to 50% reflects that 2025 is our second year of

	audit and, as a result, we have an improved understanding of the Bank's processes, systems and key controls.
Reporting threshold	We agreed with the Board Audit Committee that we would report to them misstatements identified during our audit above \$81,000 (2024: \$88,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the Bank, its environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Other information

The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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.

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Matters on which we are required to report by exception

In 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.

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 by the Bank, or returns adequate for our audit have not been received from branches not visited by us; or
- the Bank's 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 set out on page 44, 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's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Bank and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: Companies Act 2006, regulatory and supervisory requirements of the PRA and the Financial Conduct Authority ('FCA') and financial crime regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the Bank and the industry in which it operates, and considering the risk of acts by the Bank which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of the directors, management and, where appropriate, those charged with governance, as to whether the Bank is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with the PRA and FCA and holding bilateral discussions with the PRA;
- Inspecting minutes of meetings of directors held during the year and up until the date of the approval of the financial statements; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as UK tax legislation, UK pension legislation, and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, or management bias through judgements and assumptions in significant accounting estimates.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing;
- Maintaining professional scepticism in relation to the potential for management bias in the judgements and assumptions used in significant accounting estimates; and
- Reviewed items held in suspense and other related accounts and assessed the appropriateness of their accounting treatment.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remains a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matter" section of this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the Board Audit Committee, we were appointed by the Board of Directors on 18 March 2024 to audit the financial statements for the year ending 31 December 2024 and subsequent financial periods. The period of total uninterrupted engagement is two years, covering the years ended 31 December 2024 to 31 December 2025.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Bank and we remain independent of the Bank in conducting our audit.

Our audit opinion is consistent with our additional report to the Board Audit Committee.

Use of the audit 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.

PProborespati

Poppy Proborespati (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey, London, EC4M 7AU
Date: 14 April 2026

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2025

	Note	*31 December 2025 $*	*31 December 2024 $*
Interest income on financial assets at amortised cost	4a	165,148,440	184,560,122
Interest income on financial assets at FVTPL	4b	5,909,648	2,696,498
Interest expense	4c	(66,299,711)	(77,075,461)
Net interest income		**104,758,377**	**110,181,159**
Net fee and commission income	5	8,281,235	8,244,989
Foreign exchange gains/(losses)	6	6,922,053	(3,435,239)
Losses on derecognition of financial assets at amortised cost		(350,997)	(35,467)
Net (losses)/gains on financial assets at FVOCI		(3,339)	277,829
Net gains on financial assets at FVTPL	7	4,477,945	3,469,081
Other operating income	8	3,364,287	3,598,758
Operating income		**127,449,561**	**122,301,110**
Personnel expenses	9	(40,361,006)	(32,902,839)
Depreciation and amortisation	10	(1,443,746)	(2,015,740)
Other operating expenses	11	(26,711,540)	(25,444,703)
Operating expenses		**(68,516,292)**	**(60,363,282)**
Credit impairment charge	12	(4,749,484)	(869,589)
Profit before taxation		**54,183,785**	**61,068,239**
Income tax expense	13	(13,774,861)	(15,287,537)
Profit after taxation		**40,408,924**	**45,780,702**
Other comprehensive income			
Items that may be subsequently reclassified to profit/loss			
Net changes in fair value of debt securities at FVOCI		(87,794)	91,643
Tax effect of fair value changes		44,858	(22,911)
Other comprehensive income for the year		**(42,936)**	**68,732**
Total comprehensive income for the year		**40,365,988**	**45,849,434**

The above results were derived from continuing operations.

The Notes on page 57 – 116 form an integral part of these financial statements.

Statement of Financial Position

as at 31 December 2025

Assets	Note	*31 December 2025* $	*31 December 2024* $
Cash and bank balances	14	22,682,378	54,719,509
Loans and advances to banks	15	1,036,649,367	999,895,364
Loans and advances to customers	16	939,009,028	601,178,458
Financial assets held at fair value through profit or loss	17	489,526,087	33,816,495
Investment securities	18	576,261,295	1,456,429,016
Property and equipment	19	5,374,078	6,556,173
Intangible assets	20	232,369	416,719
Current tax asset	13	1,917,243	952,018
Other assets	21	4,701,147	3,310,100
Deferred tax asset	13	8,830,313	17,049,353
Total assets		**3,085,183,305**	**3,174,323,205**
Liabilities			
Deposits from banks	22	788,630,665	1,518,433,587
Deposits from customers	23	1,672,791,676	1,060,135,149
Financial liabilities at fair value through profit or loss	17	2,142,885	3,007,304
Subordinated liabilities	24	60,255,000	60,240,000
Other liabilities	25	138,693,609	150,203,683
Total liabilities		**2,662,513,835**	**2,792,019,723**
Called up share capital	26	242,000,000	242,000,000
Share premium	27	24,227,532	24,227,532
Translation reserve	27	475,187	475,187
Retained earnings	27	155,940,955	115,532,031
Fair value reserve	27	25,796	68,732
Equity shareholders' funds		**422,669,470**	**382,303,482**
Total equity and liabilities		**3,085,183,305**	**3,174,323,205**

Approved by the Board and authorised for issue on 27 March 2026 and signed on its behalf by:

Signed by:
66DFEF87BFC64F9...

Olukorede Adenowo
Chief Executive Officer

Signed by:
Andrew Alli
B50F62039B47467...

Andrew Alli
Chairman

Company Registration No. 04459383

The Notes on page 57 – 116 form an integral part of these financial statements.

Statement of Changes in Equity
for the year ended 31 December 2025

	Share capital $	*Share premium $*	*Retained earnings $*	*Translation reserve $*	*Fair value reserve $*	*Total $*
Balance attributable to equity shareholders as at 1 January 2024	**242,000,000**	**24,227,532**	**69,751,329**	**475,187**	**-**	**336,454,048**
Profit for the year	-	-	45,780,702	-	-	45,780,702
<u>Other comprehensive income</u>						
Net changes in fair value					68,732	68,732
Balance attributable to equity shareholders as at 31 December 2024	**242,000,000**	**24,227,532**	**115,532,031**	**475,187**	**68,732**	**382,303,482**
Profit for the year	-	-	40,408,924	-	-	**40,408,924**
<u>Other comprehensive income</u>						
Net changes in fair value	-	-	-	-	25,796	**25,796**
Net reclassified gains to profit or loss					(68,732)	**(68,732)**
Balance attributable to equity shareholders as at 31 December 2025	**242,000,000**	**24,227,532**	**155,940,955**	**475,187**	**25,796**	**422,669,470**

The Notes on page 57 – 116 form an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2025

	Note	31 December 2025 $	31 December 2024 $
Profit for the year before taxation		**54,183,785**	**61,068,239**
Adjustment to reconcile profit to cash flow from operating activities			
Depreciation of property and equipment	19	1,234,619	1,305,257
Amortisation of intangible assets	20	209,127	710,483
Interest expenses on subordinated liability		5,475,000	5,490,000
(Loss)/profit from sale of investment securities		354,336	(242,362)
Revaluation gains on financial assets at FVTPL		(102,818)	(28,597)
Foreign currency revaluation (gains)/losses	6	(6,402,369)	3,201,086
Credit impairment losses	12	5,279,783	1,786,453
		60,231,463	**73,290,559**
Net (increase) / decrease in assets relating to operating activities			
Loans and advances to banks		66,031,212	36,160,880
Loans and advances to customers		(342,954,781)	(74,018,980)
Financial assets held at fair value through profit or loss		(453,774,426)	3,250,178
Other assets		(1,391,047)	(29,588)
		(732,089,042)	**(34,637,510)**
Net (decrease) / increase in liabilities relating to operating activities			
Deposits from banks		(729,802,922)	804,463,093
Deposits from customers		612,656,527	(189,309,183)
Other liabilities		(11,465,920)	66,945,979
Financial liabilities at fair value through profit or loss		3,774,572	(17,087,478)
Income taxes paid		(6,545,402)	(8,679,449)
		(131,383,145)	**656,332,962**
Net cashflow from/(used in) operating activities		**(803,240,724)**	**694,986,011**
Net cash generated from / (used in) investing activities			
Acquisition of property, plant and equipment		(52,523)	(123,689)
Acquisition of intangible assets		(24,776)	(5,653)
Proceeds from sale/maturity of investments securities		2,625,720,668	2,958,772,741
Purchase of investment securities		(1,744,047,207)	(3,780,168,736)
		881,596,162	**(821,525,337)**
Cash flows used in financing activities			
Interest paid on subordinated liability		(5,460,000)	(5,505,000)
Principal element of lease payment		(1,313,025)	(931,173)
		(6,773,025)	**(6,436,173)**
Net increase/ (decrease) in cash and cash equivalents		71,582,413	(132,975,499)
Cash and cash equivalents as at 1 January		362,737,524	495,730,749
Exchange difference		520,174	(17,726)
Cash and cash equivalents as at 31 December	34	**434,840,111**	**362,737,524**

Interest received was $164.36 million (2024: $188.04 million), interest paid was $61.32 million (2024: $80.44 million).

The Notes on page 57 – 116 form an integral part of these financial statements.

Material accounting policies

1 General information

FirstBank UK Limited ('FirstBank UK' or 'the Bank') is a company limited by shares and registered in England and Wales under the Companies Act 2006 with registration number 04459383. The nature of the Bank's operations and of its principal activities is set out in the Directors' Report.

Statement of compliance

FirstBank UK has prepared these financial statements in accordance with United Kingdom adopted International Financial Reporting Standards ("UK adopted IFRS") and those parts of the Companies Act 2006 that are relevant to companies which apply UK adopted IFRS. The principal accounting policies applied in the preparation of the financial statements are set out below, and in the relevant notes to the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of particular financial instruments, to the extent required or permitted under IFRS as set out in the relevant accounting policies.

The Bank's functional and presentation currency is US Dollars.

Going concern

The Directors have assessed going concern, taking in to account the Bank's capital and liquidity positions over the next twelve months, including consideration of reasonably plausible stress scenarios.

FirstBank UK's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 4 to 33 and Directors' Report on pages 39 to 43. The financial performance of the Bank, its cash flow and capital position are as described on pages 53 to 56. In addition, FirstBank UK's business objectives, capital structure policies and financial risk management objectives are as stated in the Strategic and Directors' Reports. Details of its financial instruments and hedging activities, and its exposures to credit and liquidity risks are provided in Note 31 of the Financial Statements.

The Bank estimated the potential impact on expected credit losses in respect of its credit portfolio under various stress scenarios assuming downgrades by several notches on the Bank's portfolio to account for stress on macroeconomic variables and its impact on credit and counterparty risk. Under these stress scenarios, there would be an increase in expected credit loss provisions; and this has been considered in the assessment of going concern. When assessing going concern, no regulatory capital ratios were breached in the base to mid-case stress scenarios. In the most severe scenario, the Bank would be able to restore its capital by taking appropriate management action to reduce balance sheet growth by reducing lending, which in turn reduces its capital requirement.

From a liquidity perspective, the Bank has sufficient liquidity buffer to satisfy both business-as-usual and under stress conditions, as demonstrated in the various stress scenarios modelled.

After making enquiries, in addition to an assessment of the impact of principal risks as set out on page 12 of the Strategic Report, the Directors are confident that the Bank has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continued to adopt the going concern basis in preparing the annual report and accounts.

The accounting policies that are material to the Bank are set out below. The accounting policies adopted are consistent with those of the previous year, unless otherwise stated.

2 Accounting policies

a. Changes in accounting policy

FirstBank UK has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

None of the standards, interpretations and amendments which are effective for periods beginning after 1 January 2025 and which have not been adopted early, are expected to have a material effect on the financial statements.

New standards, interpretations, and amendments effective from 1 January 2025

The IASB has issued some mandatory amendments to IFRS accounting standards as follows:

Amendments to IAS 21 Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not, it also state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.
The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. The Bank has not used estimated exchange rate during the year; therefore the amendments did not have any impact on the Bank's statement of financial position and related disclosures.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective and when they become endorsed for use in the UK.

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

The IASB issued targeted amendments to IFRS 9 and IFRS 7, these amendments clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the SPPI criteria, add new disclosures for certain instruments with contractual terms that can change cash flows and update the disclosures for equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. The Bank has not assessed the impact of this amendment on financial statements disclosures.

Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-Dependent Electricity

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to allow entities to better reflect nature-dependent electricity contracts in the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. This amendment is not expected to have any impact on the Bank's statement of financial position.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 requires retrospective application with specific transition provisions. The new standard is expected to impact the banks presentation of its statement of comprehensive income as well as additional disclosures

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements (consolidated, separate or individual). A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. The Bank has not assessed the impact of IFRS 19 on financial statements disclosures.

b. Summary of accounting policies

Income recognition

Interest income and expense

Interest income on financial assets and interest expense on financial liabilities that are measured at amortised cost are recognised in 'Interest income' and 'Interest expense', respectively, in the statement of profit or loss using the "effective interest rate'' method.

The effective interest rate (EIR) is the rate that exactly discounts expected future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. The effective interest rate incorporates fees receivable that are an integral part of a financial instrument. FirstBank UK calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', FirstBank UK calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets become cured and is no longer credit impaired, FirstBank UK reverts to calculating interest income on a gross basis.

Interest income on financial assets mandatorily required to be measured at fair value through profit or loss (FVTPL) is recognised using the contractual interest rate in interest income.

All income derives from banking business carried out in the United Kingdom.

Fees and commissions income
The Bank determines fee and commission revenue recognition using the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenue when (or as) the Bank satisfies a performance obligation.

Fees and commissions income are accounted for depending on the services to which the income relates as follows:

- fees earned on the execution of a significant act are recognised in 'fee income' when the act is completed;
- fees earned in respect of services are recognised in 'fee income' as the services are provided; and
- fees which form an integral part of the "effective interest rate'' of a financial instrument are recognised as an adjustment to the effective interest rate and recorded in 'interest income'.

Other operating income
Other operating income relates to reclaimed VAT expense and is recognised on accrual basis.

Foreign exchange revaluation loss
Dealing and exchange losses relate to foreign exchange income derived from customer foreign exchange transactions and the revaluation of foreign currency assets and liabilities.

Foreign currency transactions and balances
Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into dollars using the rate of exchange as at the balance sheet date and resulting gains and losses on translation are included in the statement of profit or loss.

Exchange profits/(loss) on foreign exchange transactions with customers are recognised during the year.

Financial instruments - initial recognition

Date of recognition
The Bank applies IFRS 9 – Financial Instruments to the recognition, classification and measurement, and derecognition of financial assets and financial liabilities which includes derivative financial instruments and the impairment of financial assets.

Recognition
The Bank recognises financial assets and liabilities when it becomes a party to the terms of the contract. Trade date or settlement date accounting is applied depending on the classification of the financial asset. Financial assets and liabilities, except for loans and advances to customers and balances due to customers,

which are initially recognised on the trade date, i.e., the date on which FirstBank UK becomes a party to the contractual provisions of the instrument. This includes regular way trades: i.e., purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. FirstBank UK recognises balances due to customers when funds are transferred to the Bank.

Classification and measurement
Financial assets are classified on the basis of two criteria:

(i) the business model within which financial assets are managed; and
(ii) their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest' (SPPI)).

Initial measurement of financial instruments
The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, transaction costs are added to, or subtracted from their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL where transaction costs are expensed in profit or loss. When the fair value of financial instruments at initial recognition differs from the transaction price, FirstBank UK accounts for the Day 1 profit or loss, as described below.

Day 1 profit or loss
When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, FirstBank UK recognises the difference between the transaction price and fair value in profit or loss. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised or amortised.

Measurement categories of financial assets and liabilities

Financial assets
FirstBank UK classifies all its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVTPL)

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent SPPI.

Financial assets are measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and their contractual cash flows represent SPPI.

Other financial assets are measured at FVTPL if they are not held within either a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Business model assessment
The Bank's business model reflects how it manages its financial assets in order to generate cash flows; its business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both. This assessment is performed on the basis of scenarios that the Bank reasonably expects to occur.

This business model is determined by the Bank's key management personnel at a level that reflects how groups of financial assets (not individual instruments) are managed together to achieve a particular business objective. Judgement is applied when determining the level of aggregation to which the business model assessment should be directed. Factors considered by the Bank in determining the business model for a group of assets include past experience on how cash flows for these assets were collected, how the assets' performance were evaluated and reported to key management personnel, and how risks are assessed and managed.

It should also be noted that, if cash flows are realised in a way that is different from the Bank's expectations at the date that it assessed the business model, this does not give rise to a prior period error in the Bank's financial statements nor does it change the classification of the remaining financial assets held in that business model, as long as the Bank has considered all relevant information that was available at the time that it made the business model assessment.

SPPI test
As a second step of its classification process, FirstBank UK assesses the contractual terms of financial assets to identify whether the cash flows are solely payment of principal and interest on the principal amount outstanding on specified dates. In making this assessment, the Bank considers whether the contractual cash flows are consistent with basic lending arrangement i.e. they are solely payments of principal and interest which includes only consideration for the time value of money, credit risk, other lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual cash flows introduce exposure to risks or volatility inconsistent with basic lending arrangement e.g., changes in equity prices or commodity prices, the related financial asset is classified and measured at FVTPL.

Loans and advances to banks, loans and advances to customers, financial investments at amortised cost
FirstBank UK only measures loans and advances to banks, loans and advances to customers and other financial investments at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Derivatives recorded at fair value through profit or loss
A derivative is a financial instrument or other contract with all three of the following characteristics.

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

FirstBank UK enters derivative transactions with various counterparties which include forward foreign exchange contracts. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately in the Financial Statements. Changes in the fair value of derivatives are included in the foreign currency revaluation line of the income statement.

Financial liabilities

Financial liabilities are classified into one of the following measurement categories:

- Fair value through profit or loss (FVTPL)
- Amortised cost

Financial liabilities are measured at FVTPL when they are designated as such on initial recognition using the fair value option or when they meet the definition of held for trading i.e.

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking; or
- It is a derivative.

Financial liabilities not held at FVTPL are subsequently measured at amortised cost using the effective interest method.

Derecognition due to substantial modification of terms and conditions

FirstBank UK derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased/originated credit impaired (POCI) asset.

When assessing whether to derecognise a loan to a customer, amongst others, FirstBank UK considers the following factors:

- Change in currency of the loan
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, then the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, FirstBank UK records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition other than for substantial modification

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. FirstBank UK also derecognises the financial asset if it has transferred the financial asset and the transfer qualifies for derecognition.

FirstBank UK has transferred the financial asset if it has transferred its contractual rights to receive cash flows from the financial asset. A transfer only qualifies for derecognition if 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. FirstBank UK considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and can exercise that ability unilaterally and without imposing additional restrictions on the transfer.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Impairment of financial assets

Overview of the ECL principles

FirstBank UK records the allowance for expected credit loss (ECL) for all loans, debt financial assets not held at FVTPL, loan commitments and contingent exposures (Letters of Credit and Guarantee), all being referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss, LTECL), unless there has been no significant increase in credit risk since origination; in that case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs associated with the possibility of a financial instrument defaulting in the next 12 months. Both LTECLs and 12mECLs are calculated on contractual basis.

The significant increase in credit risk (SICR) test

The Bank's policy on staging includes three indicators to determine whether there has been a significant increase in credit risk. These are:

- Primary indicator – This applies a 12-month probability of default (PD) variation approach which uses a notch movement within rating grades (change in credit rating).
- Secondary indicator – Entry onto Watchlist list.
- Backstop indicator – Days Past Due for all exposures.

The Bank has an internal rating system that is used to carry out regular credit assessment of borrowers and to provide a credit rating. The credit rating reflects the default risk of the borrower which is computed using the current and future information on the borrowers. For the SICR assessment, the Bank uses the latest internal rating at the reporting date and the internal rating of the borrower at the facility origination date.

Based on the movement in the internal rating between the origination and reporting dates and pre-defined rating notch criteria, the SICR assessment is then carried out. If the movement is more than the agreed notches, the facility is deemed to have increased in credit risk and is classified as stage 2. The use of 12-month PD variation is relative to the structure of the Banks portfolio, repayment pattern (amortising) and frequency of rating review which is annual at the minimum. Per policy requirements, a watchlist account is a credit exposure for which an increased credit risk is perceived. The increased credit risk is identified by potential weaknesses which if left uncorrected could result in a deterioration of repayment prospects. Days Past Due (DPD) at 30 days or more is used as a backstop measure to supplement the PD and secondary indicators to determine a SICR. Regardless of whether there is a breach in PD threshold or entry into the Watchlist list, an exposure would be considered to have experienced a SICR if it is more than 30 DPD.

The occurrence of a SICR is conditional on either of the criteria above being met.

FirstBank UK assesses a SICR based on qualitative and quantitative factors which are used to assign exposures into various stages. The assessment of significant increase in credit risk is detailed below:

Stage	Description	Accounting Implication
Stage 1	No significant changes in credit quality of exposure since initial recognition.	12-month expected credit losses. Interest calculated on gross carrying amount.
Stage 2	The credit risk of the exposure has increased significantly since initial recognition.	Lifetime expected credit losses. Interest calculated on gross carrying amount.
Stage 3	The credit risk of the exposure has increased significantly since initial recognition and there is objective evidence of impairment.	Lifetime expected credit losses. Interest calculated on net carrying amount.

Definition of default

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

- the borrower is unlikely to pay its credit obligations to the Bank in full without recourse by the Bank to actions such as realising security (if any).
- the borrower is more than 90 days past due on any material credit obligation to the Bank.
- There is probability that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

The Bank also consider the following indicators in assessing whether a borrower is in default:

- qualitative factors e.g. breach of contract.
- quantitative factors e.g. overdue status.

Low credit risk expedient and use of 30 days DPD backstop

Low credit risk expedient is not adopted by the Bank, the assessment of SICR is applied for all exposures at the individual contract level.

Calculation of ECLs

The Bank's ECL model uses risk and financial data such as the Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and Effective Interest Rate (EIR) to estimate ECL for each contractual exposure. The ECL is a function of the PD, LGD and EAD discounted to account for the time value of money. A 12-month ECL calculation is applied on Stage 1 contracts, while a Lifetime ECL calculation will be applied on Stage 2 and 3 contracts.

In estimating the ECL, the Bank incorporates the impact of changing macroeconomic scenarios on ECL computation through consideration of three discrete scenarios (Upturn, Base and Downturn) with probabilities of occurrence (probability weights) applied to each scenario. The sensitivities are intended to indicate how the PD and LGD will change per counterparty until maturity of the exposure.

Loans and advances to customers/debt instruments measured at fair value through OCI

The ECL for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. An adverse change in the credit risk component would go through the impairment item line in the profit and loss with the remainder going through OCI. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

Collateral valuation

To mitigate its credit risks on loan portfolio, FirstBank UK seeks to obtain collateral, where possible. Such collateral may come in various forms, such as cash, securities, real estate, receivables, inventories, other non-financial assets or credit enhancements such as letters of credit/guarantees and netting agreements. Collateral, other than cash, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECL. It is generally assessed at a minimum, at inception and re-assessed periodically. However, where the collateral type is cash, it is valued daily.

To the extent possible, FirstBank UK uses active market data for valuing securities held as collateral. Other types of collateral which do not have readily determinable market values are valued based on market standard valuation methodologies. Non-financial collateral, such as real estate property, is valued based on valuation provided by professional valuers or based on house price indices.

Collateral repossessed

The Bank will typically seek legal advice on the most appropriate approach with regards to conditions under which liquidation or insolvency proceedings may be initiated, the method of repossession and other legal requirements to ensure that repossessed security is adequately controlled, managed and efficiently disposed of.

In its normal course of business, the Bank does not physically repossess properties or other assets in its mortgage portfolio but engages external agents to repossess and recover funds to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the real estate properties under legal repossession processes are not recorded on the balance sheet.

Write-offs

Financial assets are written off either partially or in their entirety only when the probability of recovery is very low. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit impairment losses.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation begins when an asset is available for use and ceases at the earlier of the date the asset is derecognised or classified as held for sale in line with IFRS 5.

Depreciation is provided on a straight-line basis at the following rates to write off the cost of the property and equipment over their estimated useful life as follows:

Asset class	*Depreciation method and rate*
Leasehold improvements	Ten years (or lease period if shorter)
Furniture and equipment	Five years
Computer hardware	Three years
Motor vehicles	Four years
Right of use assets	Over the lease period

Items of property and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of the asset is recognised in income statement in the period the asset is derecognised.

Intangible assets

Expenditure on research and cost incurred on maintenance of computer software programmes are recognised as an expense as incurred. Development costs are recognised as intangible assets when the Bank is able to demonstrate that the product is technically and commercially feasible, its intention and ability to complete the development and use the software in a manner that will generate future economic benefit and the cost to complete the development can be measured reliably. The capitalised costs include all costs directly attributable to developing the software.

Intangible assets are stated at cost less amortisation and accumulated impairment losses. The related assets are primarily computer software which are amortised on a straight-line basis over their useful life, five years, in a manner that reflects the pattern to which they contribute to future cash flows.

Items of intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of the asset is recognised in income statement in the period the asset is derecognised.

Impairment of non-financial assets

At each balance sheet date, non-financial assets are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the asset with its recoverable amount, being the higher of the asset’s fair value less cost of disposal or its value in use. Fair value less cost of disposal is calculated by reference to the amount at which the asset could be disposed of in a binding sale agreement in an arm's length transaction evidenced by an active market or recent transactions for similar assets. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the assets continued use, including those resulting from its ultimate disposal, at a market-based discount rate on a pre-tax basis.

The carrying values of fixed assets are written down by the amount of any impairment and this loss is recognised in the income statement in the period in which it occurs. A previously recognised impairment loss relating to a non-financial asset may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the non-financial asset recoverable amount. The carrying amount of the non-financial asset will only be increased up to the amount that it would have been had the original impairment not been recognised.

Leases
At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Bank has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Bank has the right to direct the use of the asset. The Bank has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Bank has the right to direct the use of the asset if either:

- the Bank has the right to operate the asset; or
- the Bank designed the asset in a way that predetermines how and for what purpose it will be used.

The Bank primarily leases buildings for use as office spaces for its operations. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. On renewal of a lease, the terms may be renegotiated; lease terms range from 1 year to 15 years. The lease agreements do not impose any covenants; leased assets, however, may not be used as security for borrowing purposes. Contracts may contain both lease and non-lease components. The Bank has elected to separate lease and non-lease components and treat them accordingly.

Leases in which the Bank is a lessee
Leases are recognised as a right-of-use asset with a corresponding liability at the date at which the leased asset is available for use by the Bank. Each lease payment is allocated between the liability and finance cost. Where the lease does not transfer ownership of the underlying asset at the end of the lease, the right-of-use asset is depreciated over the shorter of the useful life of the underlying asset or the lease term on a straight-line basis.

Leases in which the Bank is a lessor

The Bank does not have any lease arrangements as a lessor or intermediate lessor.

Lease liabilities

At the commencement date of a lease, the Bank recognises lease liabilities at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Bank under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Bank exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Where the rate implicit in the lease is not readily determinable, the lease payments are discounted using the Bank's incremental borrowing rate, being the rate that the Bank would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank’s estimate of the amount expected to be payable under a residual value guarantee, or if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option.

Right of use assets

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are depreciated over the lease term on a straight-line basis. If the Bank is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Extension and termination options

Extension and termination options are included in all the Bank's lease arrangements. These are used to maximise operational flexibility in terms of managing the assets used in its operations. Most of the extension options are subject to mutual agreement by the Bank and the lessors and some of the termination options held are exercisable only by the Bank.

Extension and termination options - Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Bank is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Bank is reasonably certain to extend (or not terminate).
- Otherwise, the Bank considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is exercised (or not exercised) or the Bank becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the Bank.

Provisions

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a current legal or constructive obligation as a result of past events and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit or loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs in the statement of profit or loss.

Income tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. FirstBank UK liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated using the tax rates and laws that are expected to apply in the year when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the deferred tax is also dealt with in other comprehensive income, or equity, respectively.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amount of cash with a maturity of three months or less from inception.

Offsetting

Financial assets and financial liabilities are offset with the net amount reported in the financial statement only if there is a current enforceable legal right to offset the recognised amounts and an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. The right must be enforceable in all circumstances, including default or insolvency. Agreements that provide only conditional rights (such as typical master netting agreements) do not meet these criteria. The Bank's derivatives are presented gross.

Financial liabilities and equity

FirstBank UK classifies a financial instrument that it issues as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

An instrument is classified as a liability if it is a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities on potentially unfavourable terms.

An instrument is classified as equity if it evidences a residual interest in the assets of FirstBank UK after the deduction of liabilities.

The components of a compound financial instrument issued by FirstBank UK are classified and accounted for separately as financial liabilities or equity as appropriate.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Share premium is recognised on new issues of shares where the share issue price is higher than the nominal amount.

Deposits

Deposits (which include deposits from banks and deposits from customers) and subordinated liabilities are recognised initially at fair value, being their issue proceeds net of transaction costs incurred (if any). These instruments are subsequently stated at amortised cost using the effective interest method. The interest on the subordinated liabilities is recognised in the income statement as interest expense.

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities comprise letters of credit (standby, irrevocable, etc) issued for trade related transactions and guarantees issued on behalf of a customer to underpin a future performance. Contingent liabilities are disclosed in the financial statements unless the crystallisation of a liability is remote.

Employee benefits

FirstBank UK operates a defined contribution pension scheme, and the amount charged to the income statement in respect of pension costs and other post-retirement benefits is the amount of contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Bank in respect of services provided by employees up to the reporting date.

3 Critical accounting judgements and estimates

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from the assumption could require a material adjustment to the carrying amount of the asset or liability affected. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved:

Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires significant judgement in the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of an economic response model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The determination of LGDs for certain Stage 3 exposures based upon management's assessment of the facts and circumstances of the exposures. By default, the PD is 100% for stage 3 loans.

Management has made estimations in relation to the following items in determining the ECL:

i. LGD of stage 3 accounts: The estimation of LGD for stage 3 loans requires significant judgement where the entity is in default. The LGD is estimated under three scenarios (best case, mid case, worst case) with probability weights assigned to each scenario based on recovery prospects. Changing the scenario for a key stage 3 account to a 100% worst case scenario (downside) results in a $7.0mn (2024: $12.8mn) increase in ECL while a 100% best case scenario (upside) yields $2.8mn (2024: $4.8mn) reduction in ECL.

ii. Probability weight of macroeconomic scenario: The Bank incorporates forward looking information and an allowance for changes in macro-economic conditions and forecasts through consideration of three discrete scenarios (Upturn, Base and Downturn). The main drivers contributing to the Bank's ECL calculation are crude oil prices (given the concentration of Nigerian exposures and the correlation of oil prices both to the level of non-performing loans of Nigerian banks and the global outlook. Other variables considered are interest rates, GDP (UK/World) and House Price Index (UK). The macro-economic variables applied for forward looking adjustments (FLA) is relative to the structure of the Bank's portfolio, risk drivers and correlation with defaults.

   At 31 December 2025, the base case, upside and downside scenarios each carried a 40%:30%:30% weighting respectively. The choice of alternative scenarios and scenario weights is a combination of quantitative analysis and judgemental assessment to ensure that the full range of possible outcomes and material non-linearity of losses is captured. The redistribution of scenario weights results in changes to the ECL estimation in the portfolio, with 100% upside or 100% downside scenarios resulting in a $0.79mn (2024: $0.67mn) reduction and a $1.16mn (2024: $0.82mn) increase in ECL respectively.

Deferred tax asset

The recognition of a deferred tax asset is driven by the estimation of future profits against which the Bank's unrelieved tax losses can be offset in the future. There is significant management judgement in the determination of deferred tax that can be recognised based on the future profit as the Bank's future performance is subject to several factors that cannot be successfully modelled or measured. These forecasts involve estimates regarding future business performance, macro-economic conditions, and tax regulations, all of which are inherently uncertain.

Fair value of derivatives and other financial instruments

As described in Note 33, the Directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument.

4 Net interest income

	31 December 2025 $	31 December 2024 $
4a Interest income:		
Loans and advances to banks measured at amortised cost	63,923,092	90,437,274
Loans and advances to customers measured at amortised cost	66,580,070	50,315,127
Debt instruments measured at amortised cost	21,553,556	17,998,266
Debt instruments measured at FVOCI	13,091,722	25,809,455
Total interest income calculated using effective interest income	**165,148,440**	**184,560,122**

	31 December 2025 $	31 December 2024 $
4b Interest income on financial assets at FVTPL:		
Interest income on financial assets at FVTPL	5,909,648	2,696,498
	5,909,648	**2,696,498**

	31 December 2025 $	31 December 2024 $
4c Interest expense:		
Deposits from banks measured at amortised cost	12,335,378	20,445,201
Deposits from customers measured at amortised cost	48,194,969	50,817,239
Debt issued and other borrowed funds measured at amortised cost	5,475,000	5,490,000
Lease liabilities	294,364	323,021
Interest expense	**66,299,711**	**77,075,461**

5 Net fee and commission income

	31 December 2025 $	31 December 2024 $
Fee and commission income		
Credit related fees	762,609	2,223,698
Letters of credit	6,621,624	5,266,370
Funds transfer	213,171	191,173
Other	960,858	839,820
	8,558,262	**8,521,061**
Fee and commission expense		
Assets under management expense	(277,027)	(276,072)
	8,281,235	**8,244,989**

All fees are recognised at a point in time.

6 Foreign exchange gains/(losses)

	31 December 2025 $	31 December 2024 $
Revaluation gain/(loss) on foreign currency	6,922,053	(3,435,239)

7 Net gains on financial assets at FVTPL

	31 December 2025 $	31 December 2024 $
Trading income on debt securities	4,375,127	3,440,484
Revaluation gains on financial assets at FVTPL	102,818	28,597
	4,477,945	**3,469,081**

8 Other operating income

	31 December 2025 $	31 December 2024 $
VAT recoverable	3,212,241	3,041,528
Other income	152,046	557,230
	3,364,287	**3,598,758**

9 Personnel expenses

Information regarding Directors and employees

Personnel expenses include the following:

	Note	31 December 2025 $	31 December 2024 $
Wages and salaries		32,347,244	27,893,037
Social security costs		3,363,953	2,435,263
Other pension costs	28	2,250,180	1,668,791
Other personnel expenses		2,399,629	905,748
		40,361,006	**32,902,839**

The Bank has a Long-Term Incentive Plan for certain categories of staff. The Plan is structured such that cash awards are made to eligible staff subject to strict rules, vesting period is three years from award date. The expected obligation in respect of the plan included in wages and salaries above is $208,101 (2024: $733,071).

The average monthly number of employees including three Executive Directors (2024: three Executive Directors) was:

	31 December 2025 No.	31 December 2024 No.
Banking division	58	57
Operations	58	55
Administration	99	89
	215	201

The Directors' remuneration for the year was as follows:

	31 December 2025 $	31 December 2024 $
Emoluments	4,152,454	3,353,770
Contributions to defined contribution pension scheme	82,918	75,275
	4,235,372	3,429,045

The highest paid director received emoluments, excluding pension contributions, totalling $1.44mn (2024: $835,121) and pension of $50,171 (2024: $49,711). Three directors received pension benefits in the year (2024: Three). Long term incentive benefit accrued in respect of Executive Directors for the year was $149,119 (2024: $194,775).

10 Depreciation and amortisation

Depreciation and amortisation expenses include the following:

	Note	31 December 2025 $	31 December 2024 $
Depreciation of property, plant and equipment	19	1,234,619	1,305,257
Amortisation of intangible assets	20	209,127	710,483
		1,443,746	2,015,740

11 Other operating expenses

Other operating expenses include the following:

	31 December 2025 $	31 December 2024 $
Auditor's remuneration	1,101,805	783,573
Legal and consultancy fees	6,163,879	8,248,095
Repairs & maintenance	8,183,601	6,071,757
Insurance premium	789,953	956,253
Other administrative expenses	10,472,302	9,385,025
	26,711,540	25,444,703

Auditor's remuneration for the current year in respect statutory audit is $684,244 (2024: $651,912), interim group audit is $198,523, CASS audit fee is $19,852 (2024: $19,174) and other assurance services $116,467 (2024: $112,487) paid to Forvis Mazars.

12 Credit impairment charge/(reversal)

	31 December 2025 $	31 December 2024 $
Cash and bank balances (refer to note 14)		
12- month ECL	(1)	(887)
	(1)	**(887)**
Loans and advances to banks (refer to note 15)		
12- month ECL	1,658,436	(133,671)
Lifetime ECL	(303,932)	809,161
	1,354,504	**675,490**
Loans and advances to customers (refer to note 16)		
12- month ECL	3,864,565	474,867
Lifetime ECL	1,259,646	974,237
	5,124,211	1,449,104
Net recoveries on loans previously written off	(530,300)	(916,865)
	4,593,911	**532,239**
Investment securities (refer to note 18)		
12- month ECL	(195,881)	(18,785)
Lifetime ECL	(1,751,992)	(24,847)
	(1,947,873)	**(43,632)**
Off balance sheet (refer to note 25)		
Charge/(reversal) of impairment	748,943	(293,621)
	748,943	**(293,621)**
Net impairment charge	**4,749,484**	**869,589**

13 Income tax

Income tax charged in the statement of comprehensive income consisted of:

	31 December 2025 $	31 December 2024 $
Current taxation		
Current income tax charge	6,373,088	6,539,490
Adjustments in respect of income tax of previous periods	(862,126)	1,690
Total current tax	**5,510,962**	**6,541,180**
Deferred taxation		
Origination and reversal of timing differences	7,396,052	8,751,710
Adjustments in respect of previous year	867,847	(5,353)
Total deferred taxation	**8,263,899**	**8,746,357**
Income tax charge	**13,774,861**	**15,287,537**

13 Income tax (continued)

The tax on profit for the year is the same as the standard rate of corporation tax in the UK of 25% (2024 – 25%).

The differences are reconciled below:

	31 December 2025 *$*	*31 December 2024* *$*
Profit before tax	54,183,784	61,068,239
Income tax at 25% (2024: 25%)	13,545,946	15,267,060
Adjustments in respect of prior years	5,721	(3,663)
Expenses not deductible for tax purposes net of reliefs	9,807	15,102
Foreign exchange and other impact	213,387	9,038
Total tax charge	**13,774,861**	**15,287,537**

Provision for income tax

	31 December 2025 *$*	*31 December 2024* *$*
Provision for income tax at 1 January	(952,018)	1,295,628
Tax paid during the year (net of refund)	(6,545,402)	(8,679,449)
Current tax charge	5,510,962	6,541,180
Effect of changes in exchange rate	69,215	(109,377)
Provision for income tax at 31 December	**(1,917,243)**	**(952,018)**

Deferred tax assets:	*31 December 2025* *$*	*31 December 2024* *$*
Provision at start of year	17,049,353	25,818,620
Adjustment in respect of prior years	(867,847)	5,353
Recognised in income statement	(7,396,052)	(8,751,709)
Recognised in other comprehensive income	44,859	(22,911)
Provision at end of period	**8,830,313**	**17,049,353**

Reconciliation of deferred tax liability and assets

	Fixed assets	*Temporary differences on IFRS9*	*Tax losses*	*Provision*	*Fair value reserve*	*Total*
	$	$	$	$	$	$
At 1 January 2024	50,558	4,368,889	19,639,325	1,759,848	-	**25,818,620**
Prior year adjustment	7,148	-	(1,795)	-	-	**5,353**
Credit/(charge) to income	23,150	(1,092,223)	(8,128,828)	446,192	-	**(8,751,709)**
Charge to OCI	-	-	-	-	(22,911)	**(22,911)**
At 31 December 2024	80,856	3,276,666	11,508,702	2,206,040	(22,911)	**17,049,353**
Prior year adjustment	430	-	852,347	(1,720,624)	**-**	**(867,847)**
Credit/(charge) to income	13,929	(1,092,222)	(7,870,446)	1,552,687	**-**	**(7,396,052)**
Credit to OCI	-	-	-	-	44,859	**44,859**
At 31 December 2025	**95,215**	**2,184,444**	**4,490,603**	**2,038,103**	**21,948**	**8,830,313**

At the balance sheet date, the Bank has unused tax losses of $17.96mn (2024: $46.03mn) available for offset against future profits. A deferred tax asset has been recognised in respect of $17.96mn (2024: $46.03mn) of such losses. The tax losses may be carried forward indefinitely. A deferred tax asset was recognised based on the profit forecast for the foreseeable future.

FirstBank UK Limited is a member of a multinational Group that falls within the Pillar Two global minimum tax rules which is applicable in the UK from 1 January 2024. The ultimate parent company (First HoldCo Plc) is located in a jurisdiction that has not adopted Pillar Two legislation.

Temporary exception from deferred tax accounting

The Bank has applied the IASB's mandatory temporary exception from recognising and disclosing deferred taxes related to Pillar Two income taxes, as introduced by the May 2023 amendments to IAS 12. Accordingly, no deferred tax assets or liabilities have been recognised for potential Pillar Two amounts.

Current-period top-up tax

For the reporting period, the Bank's current tax expense includes no amount relating to Pillar Two top-up taxes.

Transitional CbCR Safe Harbour (TCSH)

The Bank elected to apply the OECD Transitional CbCR Safe Harbour. Under this safe harbour, a jurisdiction's Pillar Two top-up tax is deemed to be nil if one of the prescribed tests (De minimis, Simplified ETR, or Routine Profits) is met using data from the Group's Qualified CbCR and Qualified Financial Statements. Based on those tests, all jurisdictions except Nigeria qualified under either the Simplified ETR Test or the De Minimis Test.

However, Under the UK Pillar Two rules, the Transitional UTPR Safe Harbour provides temporary relief from the application of the UTPR for fiscal years beginning on or before 31 December 2025 and ending before 31 December 2026, where the ultimate parent entity (UPE) jurisdiction has a headline corporate income tax rate of at least 20%. Nigeria is the UPE jurisdiction, and the headline corporate income tax rate is 30% which exceeds the 20% threshold. Accordingly, to the extent that any UTPR allocation were otherwise to arise during the transitional period, this would be deemed to be nil under the Transitional UTPR Safe Harbour. Therefore, no top-up tax arose.

14 Cash and bank balances

	31 December 2025 $	31 December 2024 $
Cash	81,242	34,329
Current balances with other banks	22,601,225	54,685,270
	22,682,467	54,719,599
Less: 12-month ECL allowance	(89)	(90)
	22,682,378	**54,719,509**

Impairment allowance for cash and bank balances

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are provided in Note 31:

Impairment allowance – credit quality and maximum exposure to risk as at 31 December 2025

	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
Investment grade	22,651,761	-	-	22,651,761
Sub-investment grade	30,706	-	-	30,706
	22,682,467	-	-	22,682,467
Loss allowance	(89)	-	-	(89)
	22,682,378	**-**	**-**	**22,682,378**

Impairment allowance – credit quality and maximum exposure to risk as at 31 December 2024

	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
Investment grade	54,716,619	-	-	54,716,619
Sub-investment grade	2,980	-	-	2,980
	54,719,599	-	-	**54,719,599**
Loss allowance	(90)	-	-	**(90)**
	54,719,509	**-**	**-**	**54,719,509**

Changes in expected credit impairment loss

An analysis of changes in the ECL allowance is, as follows:

	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
As at 1 January 2025	**90**	**-**	**-**	**90**
Reversal of impairment	(1)	-	-	**(1)**
At 31 December 2025	**89**	**-**	**-**	**89**

	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
As at 1 January 2024	977	-	-	977
Reversal of impairment	(887)	-	-	(887)
As at 31 December 2024	90	-	-	90

15 Loans and advances to banks

	31 December 2025 $	31 December 2024 $
Maturity		
Repayable on demand	412,157,643	308,017,925
3 months or less excluding repayable on demand	346,394,563	377,775,114
1 year or less but over 3 months	212,547,689	269,664,198
5 years or less but over 1 year	72,290,444	49,824,595
	1,043,390,339	1,005,281,832
Less: 12-month ECL allowance	(6,740,972)	(5,386,468)
	1,036,649,367	999,895,364

Total loans advanced to First Bank of Nigeria Limited at 31 December 2025 were $203,292,319 (2024: $320,329,657). Loans and advances to banks are measured at amortised cost. None of the loans and advances to banks were impaired (2024: $Nil) and $155,458,671 (2024: $303,800,319) was held as cash collateral against these loans.

Impairment allowance for loans and advances to banks

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are provided in Note 31:

Impairment allowance – credit quality and maximum exposure to risk as at 31 December 2025

	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
Investment grade	452,143,616	-	-	452,143,616
Sub-investment grade	563,552,050	27,694,673	-	591,246,723
	1,015,695,666	27,694,673	-	1,043,390,339
Loss allowance	(6,120,409)	(620,563)	-	(6,740,972)
	1,009,575,257	27,074,110	-	1,036,649,367

Impairment allowance – credit quality and maximum exposure to risk as at 31 December 2024

	Stage 1 12-month ECL $	*Stage 2 Lifetime ECL $*	*Stage 3 Lifetime ECL $*	*Total $*
Investment grade	334,072,672	-	-	**334,072,672**
Sub-investment grade	623,810,940	47,398,220	-	**671,209,160**
	957,883,612	47,398,220	-	**1,005,281,832**
Loss allowance	(4,461,973)	(924,495)	-	**(5,386,468)**
	953,421,639	**46,473,725**	**-**	**999,895,364**

Changes in expected credit impairment loss

An analysis of changes in ECL allowance is, as follows:

	Stage 1 12-month ECL $	*Stage 2 Lifetime ECL $*	*Stage 3 Lifetime ECL $*	*Total $*
As at 1 January 2025	**4,461,973**	**924,495**	**-**	**5,386,468**
Charge to income statement	1,658,436	(303,932)	-	**1,354,504**
At 31 December 2025	**6,120,409**	**620,563**	**-**	**6,740,972**

	Stage 1 12-month ECL $	*Stage 2 Lifetime ECL $*	*Stage 3 Lifetime ECL $*	*Total $*
As at 1 January 2024	4,595,644	115,334	**-**	**4,710,978**
Charge to income statement	(133,671)	809,161	-	**675,490**
At 31 December 2024	**4,461,973**	**924,495**	**-**	**5,386,468**

Reconciliation of gross carrying amount

The table below shows reconciliation from the opening to the closing balance of the gross loans and advances to banks:

	Stage 1 $	*Stage 2 $*	*Stage 3 $*	*Total $*
As at 1 January 2025	958,371,502	47,398,220	-	1,005,769,722
New financial assets originated or purchased/Increase in credit risk	536,512,230	27,694,673	-	564,206,903
Financial assets matured during the period	(479,188,067)	(47,398,220)	-	(526,586,287)
At 31 December 2025	**1,015,695,666**	**27,694,673**	**-**	**1,043,390,339**

16 Loans and advances to customers

	31 December 2025 *$*	*31 December 2024* *$*
Corporate	757,997,193	466,491,279
Individual	201,860,000	150,097,517
	959,857,193	616,588,796a
Less:		
12-month ECL allowance	(11,168,165)	(7,004,365)
Lifetime ECL allowance	(9,680,000)	(8,405,973)
	939,009,028	**601,178,458**

Maturity		
3 months or less	243,366,032	135,585,650
1 year or less but over 3 months	175,837,721	133,351,855
5 years or less but over 1 year	316,553,353	174,847,066
Over 5 years	197,912,837	145,006,884
Non-performing accounts	26,187,250	27,797,341
	959,857,193	**616,588,796**

As at 31 December 2025, FirstBank UK had advanced $1 as overdrafts (2024: $289) and $959,825,900 in fixed term loans (2024: $616,570,219) to customers. $31,292 was granted as staff loans (2024: $18,288). Loans and advances to customers are measured at amortised cost. In the circumstances where a mortgage customer is unable to make payments due on financial assets, for example due to a deterioration in the changing economic environment, FirstBank UK will show forbearance and work with its customer to ensure an equitable renegotiation of the terms attached to the financial asset.

Impairment allowance for Loans and advances to customers

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are provided in Note 31:

Impairment allowance – credit quality and maximum exposure to risk as at 31 December 2025

	Stage 1 12-month ECL *$*	*Stage 2 Lifetime ECL* *$*	*Stage 3 Lifetime ECL* *$*	*Total* *$*
Investment grade	43,452,054	-	-	**43,452,054**
Sub-investment grade	865,201,025	25,016,864	-	**890,217,889**
Default	-	-	26,187,250	**26,187,250**
	908,653,079	25,016,864	26,187,250	**959,857,193**
Loss allowance	(11,164,684)	(1,131,041)	(8,552,440)	**(20,848,165)**
	897,488,395	**23,885,823**	**17,634,810**	**939,009,028**

Impairment allowance – credit quality and maximum exposure to risk as at 31 December 2024

	Stage 1 12-month ECL $	*Stage 2 Lifetime ECL $*	*Stage 3 Lifetime ECL $*	*Total $*
Investment grade	50,159,202	-	-	**50,159,202**
Sub-investment grade	536,119,947	2,512,306	-	**538,632,253**
Default	-	-	27,797,341	**27,797,341**
	586,279,149	2,512,306	27,797,341	**616,588,796**
Loss allowance	(7,004,365)	(76,995)	(8,328,978)	**(15,410,338)**
	579,274,784	**2,435,311**	**19,468,363**	**601,178,458**

Changes in expected credit impairment loss

An analysis of changes in ECL allowance is, as follows:

	Stage 1 12-month ECL $	*Stage 2 Lifetime ECL $*	*Stage 3 Lifetime ECL $*	*Total $*
As at 1 January 2025	**7,004,365**	**76,995**	**8,328,978**	**15,410,338**
Transfer between stages	(17,862)	(9,916)	27,778	**-**
Charge/(credit) to income statement	3,864,565	1,063,962	195,684	**5,124,211**
Other changes	313,616	-	-	**313,616**
At 31 December 2025	**11,164,684**	**1,131,041**	**8,552,440**	**20,848,165**

	Stage 1 12-month ECL $	*Stage 2 Lifetime ECL $*	*Stage 3 Lifetime ECL $*	*Total $*
As at 1 January 2024	6,620,632	62,945	7,350,930	**14,034,507**
Transfer between stages	(17,862)	(9,916)	27,778	**-**
Charge/(credit) to income statement	474,867	23,966	950,270	1,449,103
Other changes	(73,272)	-	-	**(73,272)**
At 31 December 2024	**7,004,365**	**76,995**	**8,328,978**	**15,410,338**

Reconciliation of gross carrying amount

The table below shows reconciliation from the opening to the closing balance of the gross loans and advances to customers:

	Stage 1	*Stage 2*	*Stage 3*	*Total*
	$	*$*	*$*	*$*
As at 1 January 2025	586,279,149	2,512,306	27,797,341	616,588,796
Transfer between stages	(50,280,031)	52,741,204	(2,461,173)	-
New financial assets originated or purchased/changes in credit risk	595,582,146	(30,164,429)	1,605,561	567,023,276
Financial assets matured during the period	(222,928,185)	72,215	754,480	(222,101,490)
Other movements	-	(144,432)	(1,508,959)	(1,653,391)
At 31 December 2025	**908,653,079**	**25,016,864**	**26,187,250**	**959,857,193**

17 Financial assets and liabilities at fair value through profit and loss

	31 December 2025	*31 December 2024*
	$	*$*
Debt securities		
Bonds held for trading	36,060,704	32,612,751
Blackrock CIU investment	450,429,291	-
Derivative assets	3,036,092	1,203,744
Total assets held at fair value through profit and loss	**489,526,087**	**33,816,495**

The maximum exposure to credit risk is $489.5mn (2024: $33.8mn)

	31 December 2025			*31 December 2024*		
	Notional contract amount	*Fair Value Asset*	*Fair Value Liability*	*Notional contract amount*	*Fair Value Asset*	*Fair Value Liability*
	$	*$*	*$*	*$*	*$*	*$*
Forward FX contract	529,276,059	3,036,092	2,142,885	457,641,390	1,203,744	3,007,304
	529,276,059	3,036,092	2,142,885	457,641,390	1,203,744	3,007,304
Current	**529,276,059**	**3,036,092**	**2,142,885**	**457,641,390**	**1,203,744**	**3,007,304**

Derivative financial instruments consist of FX forward (delivery and non-delivery) contracts. Forward FX contracts are held for day-to-day cash management rather than for trading purposes and are held at fair value. The movement in fair value is as a result of changes in the exchange rates of the currency.

18 Investment securities

	31 December 2025 $	31 December 2024 $
Investment securities at amortised cost (note 18a)	501,438,795	488,451,516
Investment securities at FVOCI (note 18b)	74,822,500	967,977,500
	576,261,295	1,456,429,016

18a Investment securities at amortised cost

	31 December 2025 $	31 December 2024 $
Debt securities at amortised cost		
Bonds	503,375,586	492,336,202
	503,375,586	492,336,202
ECL on financial investments at amortised cost	(1,936,791)	(3,884,686)
	501,438,795	**488,451,516**
Maturity		
Less than three months	160,333,699	95,466,102
1 year or less but over 3 months	189,828,595	199,544,500
Between one year and five years	144,444,632	192,015,975
More than five years	8,768,660	5,309,625
	503,375,586	**492,336,202**

FirstBank UK assesses its debt securities in the 'hold to collect' portfolio at each balance sheet date for objective evidence that the portfolio or a specific debt security is impaired. There is no purchased credit-impaired asset within financial investments carried at amortised cost.

Impairment allowance for investment securities carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification of its financial investments carried at amortised cost. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are provided in Note 31:

Impairment allowance – credit quality and maximum exposure to risk as at 31 December 2025

	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
Investment grade	432,443,882	-	-	432,443,882
Sub-investment grade	70,931,704	-	-	70,931,704
Gross carrying amount	503,375,586	-	-	**503,375,586**
Loss allowance	(1,936,791)	-	-	**(1,936,791)**
Carrying amount	**501,438,795**	**-**	**-**	**501,438,795**

Impairment allowance – credit quality and maximum exposure to risk as at 31 December 2024

	Stage 1 12-month ECL $	*Stage 2 Lifetime ECL $*	*Stage 3 Lifetime ECL $*	*Total $*
Investment grade	428,410,780	-	-	**428,410,780**
Sub-investment grade	56,016,818	5,133,594	-	**61,150,412**
Default	-		2,775,011	**2,775,011**
Gross carrying amount	484,427,598	5,133,594	2,775,011	**492,336,203**
Loss allowance	(2,132,694)	(459,947)	(1,292,045)	**(3,884,686)**
Carrying amount	**482,294,904**	**4,673,647**	**1,482,966**	**488,451,517**

Changes in expected credit impairment loss

An analysis of changes in the ECL allowance is, as follows:

	Stage 1 12-month ECL $	*Stage 2 Lifetime ECL $*	*Stage 3 Lifetime ECL $*	*Total $*
As at 1 January 2025	**2,132,694**	**459,947**	**1,292,045**	**3,884,686**
Charge to income statement	(195,903)	(459,947)	(1,292,045)	**(1,947,895)**
Other movement			-	**-**
At 31 December 2025	**1,936,791**	**-**	**-**	**1,936,791**

	Stage 1 12-month ECL $	*Stage 2 Lifetime ECL $*	*Stage 3 Lifetime ECL $*	*Total $*
As at 1 January 2024	2,154,045	-	2,986,500	**5,140,545**
Charge to income statement	(21,351)	459,947	(484,794)	**(46,198)**
Other movement			(1,209,661)	**(1,209,661)**
At 31 December 2024	**2,132,694**	**459,947**	**1,292,045**	**3,884,686**

18b Investment securities at fair value through other comprehensive income

	31 December 2025 $	*31 December 2024 $*
Debt securities at FVOCI		
Treasury bills	74,822,500	967,977,500
	74,822,500	**967,977,500**

Changes in expected credit impairment loss

An analysis of changes in the ECL allowance is, as follows:

	Stage 1 12-month ECL	*Stage 2 Lifetime ECL*	*Stage 3 Lifetime ECL*	*Total*
	$	*$*	*$*	*$*
As at 1 January 2025	2,566	-	-	**2,566**
Charge to income statement	(2,543)	-	-	**(2,543)**
At 31 December 2025	**23**	**-**	**-**	**23**

	Stage 1 12-month ECL	*Stage 2 Lifetime ECL*	*Stage 3 Lifetime ECL*	*Total*
	$	*$*	*$*	*$*
As at 1 January 2024	-	-	-	**-**
Charge to income statement	2,566	-	-	**2,566**
At 31 December 2024	**2,566**	**-**	**-**	**2,566**

19 Property and equipment

	Computer hardware	*Leasehold improvements*	*Furniture and equipment*	*Motor vehicles*	*Right of use assets*	*Total*
	$	*$*	*$*	*$*	*$*	*$*
Cost						
At 1 January 2024	382,914	4,658,879	98,236	138,067	11,646,171	16,924,267
Additions	-	-	123,689	-	-	123,689
At 31 December 2024	**382,914**	**4,658,879**	**221,925**	**138,067**	**11,646,171**	**17,047,956**
Additions	42,358	-	10,166	-	-	**52,523**
At 31 December 2025	**425,272**	**4,658,879**	**232,091**	**138,067**	**11,646,171**	**17,100,479**
Depreciation						
At 1 January 2024	365,642	3,924,177	80,107	34,517	4,782,083	9,186,526
Charge for the year	10,205	264,507	16,720	34,517	979,308	1,305,257
At 31 December 2024	**375,847**	**4,188,684**	**96,827**	**69,034**	**5,761,391**	**10,491,783**
Charge for the year	9,421	159,470	29,656	34,517	1,001,555	**1,234,619**
At 31 December 2025	**385,268**	**4,348,154**	**126,483**	**103,551**	**6,762,946**	**11,726,402**
Carrying amount						
At 31 December 2025	**40,004**	**310,725**	**105,608**	**34,516**	**4,883,225**	**5,374,078**
At 31 December 2024	7,067	470,195	125,098	69,033	5,884,780	6,556,173

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20 Intangible assets

	Computer software *$*
Cost	
At 1 January 2024	4,515,870
Additions	5,653
At 31 December 2024	**4,521,523**
Additions	24,776
At 31 December 2025	**4,546,299**
Amortisation	
At 1 January 2024	3,394,320
Amortisation charge	710,483
At 31 December 2024	4,104,803
Amortisation charge	209,127
At 31 December 2025	**4,313,930**
Carrying amount	
At 31 December 2025	**232,369**
At 31 December 2024	**416,719**

21 Other assets

	31 December 2025 *$*	*31 December 2024* *$*
Accounts receivable	2,277,080	1,360,546
Prepayments	2,424,067	1,949,554
	4,701,147	3,310,100

22 Deposits from banks

	31 December 2025 $	*31 December 2024 $*
Repayable on demand	389,515,132	1,050,258,889
With agreed maturity dates or periods of notice by remaining maturity:		
Three months or less but not repayable on demand	353,122,773	300,673,233
One year or less, but over three months	45,992,760	167,501,465
	788,630,665	1,518,433,587

Total deposits due to First Bank of Nigeria Limited as at 31 December 2025 was $212,914,715 (2024: $319,745,464).

23 Deposits from customers

	31 December 2025 $	*31 December 2024 $*
Repayable on demand	312,323,348	162,246,890
With agreed maturity dates or periods of notice by remaining maturity:		
Three months or less but not repayable on demand	566,116,529	498,431,181
One year or less, but over three months	530,102,825	240,094,894
More than one year but less than five years	264,248,974	159,362,184
	1,672,791,676	1,060,135,149

24 Subordinated liabilities

	31 December 2025 $	*31 December 2024 $*
Principal	60,000,000	60,000,000
Accrued interest	255,000	240,000
	60,255,000	60,240,000

Subordinated liabilities representing USD 60mn Tier 2 capital due to the parent company, First Bank of Nigeria Limited. The loan is repayable on 20 March 2029 at an interest rate of 9.00% (2024: 9.00%).

25 Other liabilities

	31 December 2025 $	*31 December 2024 $*
Financial liabilities		
Collateral for letters of credit (see note(i) below)	117,864,676	129,688,398
Customers unclaimed balances	446,173	445,363
Other payables	12,048,526	11,439,157
Long term incentive plan	941,173	1,487,914
Lease liabilities (see note ii, below)	6,467,648	6,966,381
	137,768,196	150,027,213
Non-financial liabilities		
ECL allowance for lending commitments (see note(iii) below)	925,413	176,470
	138,693,609	**150,203,683**

(i) The collateral balance relates to security taken in respect of various outstanding contingent liability transactions.

(ii) Lease liabilities

	31 December 2025 $	*31 December 2024 $*
Opening balance as at 1 January	6,966,381	7,717,038
Interest expense	294,364	323,021
Exchange rate differences	519,929	(142,505)
Payments made during the year	(1,313,025)	(931,173)
	6,467,649	**6,966,381**
Current lease liabilities	1,034,916	773,469
Non-current lease liabilities	5,432,732	6,192,912
	6,467,649	**6,966,381**

Maturity analysis of lease liabilities as at 31 December 2025 is:

	0-90 days $	*91 – 180 days $*	*181 – 365 days $*	*1 year - 5 years $*	*Over 5 years $*	*Total $*
Lease liabilities	586,985	258,729	189,202	4,139,665	1,293,067	**6,467,649**

Maturity analysis of lease liabilities as at 31 December 2024 is:

	0-90 days	91 – 180 days	181 – 365 days	1 year - 5 years	Over 5 years	Total
	$	$	$	$	$	$
Lease liabilities	536,512	230,812	230,812	3,692,985	2,275,260	**6,966,381**

There were no lease extension or termination option applied to these lease liabilities. The critical judgement factor in measurement of these lease liabilities was the incremental borrowing rate set at 4.3%.

(iii) ECL allowance for lending commitments

To meet the financial needs of customers, the Bank enters various irrevocable commitments and contingent liabilities transactions with its customers. These consist of undrawn loan commitments, letters of credit and guarantees. Even though these obligations may not be recognised on the statement of financial position, they contain credit risk and, therefore, form part of the overall risk of the Bank. Letters of credit (including standby letters of credit) and guarantees 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 or performance of an activity.

The balance is the ECL allowance recognised on the outstanding letters of credit and guarantees as at 31 December 2025; see Note 29 for the nominal value of the outstanding obligations.

Changes in ECL allowance for lending commitments

	31 December 2025	31 December 2024
	$	$
Opening balance as at 1 January	176,470	470,091
Charge/(credit) to income statement	748,943	(293,621)
Closing balance as at 31 December	**925,413**	**176,470**

26 Share capital

	31 December 2025		31 December 2024	
	No. of shares	**$**	**No. of shares**	**$**
Issued, allotted and fully paid				
Ordinary shares of $1.21 each	200,000,000	242,000,000	200,000,000	242,000,000

First Bank of Nigeria Limited holds 182,000,000 (2024: 182,000,000) or 91% (2024: 91%) of the ordinary shares issued, the remaining issued shares are held by ARC Fin LP.

The Bank changed its functional currency in 2023. This involved a redenomination of its share capital from Sterling to US Dollars on 03 January 2023. The Bank's share capital of 200,000,000 shares with a nominal share value of £1 each was redenominated to a nominal share value of $1.21.

The holders of ordinary shares are entitled to one vote per share at the Bank's meetings.

27 Reserves

Share premium

The share premium account represents the excess of the issue price over the par value on shares issued less transaction costs arising on issue.

Retained earnings

The balance in the retained earnings account represents the total profit and loss reserves of the Bank.

Translation reserve

The balance in translation reserve arose as a result of change in the Bank's functional currency.

Fair value reserve

The fair value reserve shows the effects from the fair value measurement of financial instruments elected to be presented in other comprehensive income on initial recognition.

28 Pension and other schemes

FirstBank UK operates a defined contribution pension scheme for staff and contributions were made during the year totalling $2,250,180 (2024: $1,668,791). There were no outstanding or prepaid contributions at the reporting date (2024: nil).

29 Contingent liabilities and commitments

Off balance sheet liabilities

	31 December 2025 $	*31 December 2024 $*
Letters of credit and guarantees	212,143,831	97,475,950
Undrawn irrevocable loan commitments	12,829,987	4,450,086
	224,973,818	**101,926,036**

Uncertainty exists with respect to the timing of when these obligations may crystallise. The Bank's letters of credit and loan commitments are rated as non-investment grade.

30 Related party transactions

A number of banking transactions were entered into with related parties in the normal course of business. These include loans and deposits, asset sale and purchase, and foreign currency transactions. Outstanding balances at the end of the year and related income and expenses for the year are as follows:

	31 December 2025 $	*31 December 2024 $*
Assets		
Cash at bank from parent bank	30,706	2,936
Loans due from parent bank	202,485,329	319,077,684
Loans due from fellow subsidiaries	-	15,148
	202,516,035	**319,095,768**
Income		
From parent bank	20,697,703	28,882,325
From fellow subsidiaries	5,501	70,755
	20,703,205	**28,953,080**
Letters of credit and guarantees issued/received		
Guarantee received from parent bank	77,000,000	77,000,000
Letters of credit issued to parent bank	57,243,612	16,016,288
Letters of credit issued to group subsidiaries	-	1,016,050
	134,243,612	**94,032,338**
Liabilities		
Amounts due to parent bank	212,914,715	319,544,709
Subordinated liabilities	60,255,000	60,240,000
Amount due to fellow subsidiaries	10,394,226	25,926,566
	283,563,941	**405,711,275**
Expenses		
To parent bank	6,454,456	16,396,571
To fellow subsidiaries	23,333	974,341
	6,477,789	**17,370,912**

These transactions were entered under normal banking terms and are settled on cash basis. There were no doubtful debts due from a related entity. FirstBank UK retains the right to set-off credit advanced against deposits held.

Loans were approved and advanced on a commercial arm's length basis to six (2024: six) senior management members of First Bank of Nigeria Limited during the year. As at 31 December 2025, a total loan amount of $5,550,594 (2024: $2,121,700) was outstanding in respect of these senior management members of First Bank of Nigeria Limited which included a non-executive director of FirstBank UK.

Deposit liabilities totalling $3,931,555 (2024: $2,147,552) were held by the FirstBank UK in respect of these senior management members including two non-executive directors of FirstBank UK.

Key management personnel include the Bank's executive directors. No loans were advanced to key management personnel of FirstBank UK during 2025 (2024: nil) while total compensation paid was $3.18mn (2024: $2.33mn).

There were no other related party transactions or balances requiring disclosure.

31 Financial risk management

Derivatives and other financial instruments

FirstBank UK's financial instruments, other than derivatives and bonds, principally comprise loans and deposits that arise from its operations as a lending and deposit-taking institution.

The Bank transacts derivative products (all forward foreign currency contracts). The purpose of the transactions is to manage the currency risks arising from the Bank's operations. The Bank invests in bond instruments. The purpose of the transactions is to improve profitability and to better manage the Bank's liquidity.

FirstBank UK holds and issues financial instruments for three main purposes:

- to earn an interest margin or a fee;
- to finance its operations; and
- to manage the interest rate and currency risks arising from its operations and from its sources of finance.

FirstBank UK implemented full trading book during the year. The Bank finances its operations by a mixture of shareholders' funds and customer and bank deposits. The deposits raised may be in a range of currencies at variable or fixed rates of interest. FirstBank UK's lending is mainly in US dollars, GB pound sterling and Euro. The Bank deals in spot and forward foreign exchange transactions.

The main financial risks arising from FirstBank UK's financial instruments are credit risk, market risk and liquidity risk. Market risk includes interest rate risk and foreign currency risk. The management reviews and agrees policies for managing each of these risks and they are summarised below. These policies were reviewed within the period being reported.

Credit risk

Credit risk is the risk that financial loss arises from the failure of a customer or counterparty to meet its loan repayments or contractual obligations. It arises principally from lending, trade finance and treasury activities. Internal controls are in place within FirstBank UK's Credit function which are designed to ensure that loans are made in accordance with the Bank's credit policy and that once made, such facilities are monitored on a regular basis as appropriate.

Moreover, significant changes in the economy, or state of a particular industry could result in risks that are different from those provided for at the balance sheet date. To manage these risks, appropriate credit facility structures are applied, and management has established limits in relation to individual borrowers or group of borrowers.

Risk appetite and credit risk management

The risk appetite is an expression of the level and type of risk FirstBank UK is willing and able to accept in pursuit of its strategic objectives expressed in a business plan. The Risk Appetite Statement (RAS) forms the basis for establishing the risk boundaries within which the Bank must operate. The Bank regularly conducts stress tests and monitors key performance indicators (KPI) to ensure that it operates within Board approved thresholds and where needed adjust limits in response to changes in the business and/or macroeconomic conditions. Results of the stress scenarios which includes ECL sensitivity are applied to ensure adequate capital and liquidity to support the Bank's strategy and business plan. ECL Sensitivity assumptions and outputs are incorporated into the internal capital assessment process (ICAAP) and business planning.

Management of Credit Risk

Credit risk is the single largest risk for FirstBank UK's business and therefore importance is placed on effective management of this risk. It is created when the Bank commits to, or enters into, an agreement with an obligor or counterparty.

The Credit Risk Policy is the primary reference document for identifying, measuring, approving and reporting credit risk and adopted in conjunction with the impairment policy and other risk related policies. The Policy is designed to:

- Provide a comprehensive guide and framework in creating and managing risk assets.
- Ensure prompt identification of problem credits and prudent management of decline in credit quality.
- Outline the requirements for administration and reporting of individual exposures and the overall risk asset portfolio.

Risk limit control and mitigation policies

The Bank manages concentrations of credit risk in particular to individual counterparties and groups, industries and countries. Such risks are monitored on a regular basis and subject to an annual or more frequent reviews where required. Limits on the level of credit risk by product, country industry/sector, obligor or group of related parties are set by the Board of Directors on the recommendation of the Chief Risk Officer. Concentration metrics (single obligor, country, and sector) are calibrated to express the maximum risk appetite as timing of exposure will vary.

However, the measurement of concentration metrics will operate within the defined risk appetite metrics for capital and liquidity with any exposure initiation subject to compliance with capital and liquidity risk appetite ratios.

Credit risk measurement

In measuring credit risk of financial assets, the Bank reflects the following components:

- The character and capacity to pay of the client or counterparty to meet its contractual obligations;
- Current exposures to the counterparty and its likely future performance;
- Credit history of the counterparty; and

- The likely recovery in case of default obligations – value of collateral and other ways out.

Obligor Risk Rating

Scale Rating	Rating	Bucket	Description
			Investment Grade
1	Aaa	Aaa	Highest quality, with minimal credit risk
2	Aa1	Aa	High quality, subject to very low credit risk
3	Aa2		
4	Aa3		
5	A1	A	Considered upper-medium grade and are subject to low credit risk
6	A2		
7	A3		
8	Baa1	Baa	Considered medium-grade and may possess certain speculative characteristics
9	Baa2		
10	Baa3		
			Non- Investment Grade
11	Ba1	Ba	Considered to have speculative elements and are subject to substantial credit risk
12	Ba2		
13	Ba3		
14	B1	B	Considered speculative and are subject to high credit risk
15	B2		
16	B3		
17	Caa1	Caa	Considered to be of poor standing and are subject to very high credit risk
18	Caa2		
19	Caa3		
20	Ca	Ca	In or near default, with possibility of recovery
21	C	C	In default with little chance of recovery

The Bank has a robust internal rating system it leverages on to determine credit worthiness of its borrowers and likelihood of default. The rating scale shown below reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes.

The obligor risk rating grids is based on a 21-master rating scale mapped into nine buckets to provide a pre-set objective basis for making credit decisions and estimating expected credit loss (ECL) in line with IFRS 9 requirements. The rating adopted depends on outcome of quantitative and qualitative factors considered on the customer and reflects the inherent risks associated with each customer.

The rating tools are reviewed and upgraded when necessary. The Bank regularly validates the performance of the rating tools and their predictive powers regarding default events.

Each risk bucket may be denoted alphabetically and by range of scores as noted in table above.

Determination of ECL – Forecast of future economic conditions

Selection of macro-economic variables (MEVs) applied for forward looking adjustments (FLA) is relative to the structure of the Bank's portfolio, risk drivers and correlation with defaults.

The Bank's portfolio is segmented into four segments for IFRS 9 modelling purposes. The segmentation is based on FirstBank UK's current exposure structure and portfolio characteristics. The four segments are:

- Wholesale (Corporate and FI exposures)
- Mortgages
- Treasury (Investments in AAA rated treasury bills and bonds, placements, nostro)
- Other Retail (Non-material)

For the wholesale segment, average non-performing loan rates of the Nigerian Banking industry are adopted as default proxy, as the Bank's wholesale portfolio is closely linked to Nigeria and other African markets, while for the mortgage portfolio, the UK mortgage industry arrear rates from Bank of England is used as default proxy. The time series for the proxies (the dependent variable) are regressed against the macro-economic variables (independent variables) to establish correlations to evaluate the strength of relationship between them. The correlation analysis was supplemented with judgement to shortlist suitable variables for the model development. The proxies are representative of the portfolio until sufficient internal default data becomes available.

For the wholesale and mortgage portfolio, a test of statistical significance was carried out using single and multiple factor analysis. For the single factor analysis, the default rates were regressed individually against each variable after applying the appropriate transformations to the macro-economic variables. The shortlisted variables from the single factor analysis were then run in two and three variable regression models. Out of multiple combinations, two models (challenger and champion model) with three variables each were selected based on statistical testing and judgement. For the mortgage portfolio a two-factor model was adopted. The performance of champion and challenger models are compared, with both passing all the statistical tests and those variables which are more intuitive predictors for the Bank's portfolio are selected for the wholesale and mortgage portfolios.

Determination of ECL – Economic assumptions

As at 31 December 2025, the Bank incorporated the impact of changing macroeconomic scenarios on ECL computation through consideration of three discrete scenarios (Upturn, Base and Downturn) with probability weights assigned to these three scenarios. The probability weights were updated to 40%, 30% and 30% for base, upturn and downturn respectively from the prior 33:31:36. The rationale provides the basis for estimating the scenario weights for the macroeconomic variables (MEVs) which impact on the Bank's portfolio. The MEVs applied to the portfolio are interest rate, Oil Price, and GDP (world) for the corporate portfolio and UK HPI and UK GDP for the mortgage portfolio. The determination of the updated weights is based on a quantitative analysis which uses a robust sample size (20 years) that covers the varying cycles experienced by the economy and businesses. It involves computing the confidence interval (CI) at a 99% confidence level, the critical value at a two-tailed Z test is used. This is used to estimate the ideal range of estimate for the mean of the variables based on the samples. This range is taken as the base case of the variable.

The MEV samples in the population are based on actuals over a 20-year timeframe and sourced from Moody's data buffet using December of each year as cut off. The MEV (actuals) for each variable is allocated to each scenario bucket based on the Confidence Interval (lower bound, upper bound). Any sample that falls above the upper bound is considered an upside scenario, while any sample that falls below the lower bound is classed as a downturn scenario, while the baseline is neither.

A probability estimate is used to determine the likelihood of each scenario in the sample data for each MEV. The probability of a scenario is defined as the number of samples in that scenario divided by the total number of samples. The scenario weight is then determined using an average of the probability derived for the scenario across all the variables.

FirstBank UK's credit policy documents and risk appetite statement include details on lending authorities, large exposures, concentration risk, transactions with parent and affiliates, country risk exposure, industry lending, use of external credit assessments, credit risk collateral and provisioning.

The macroeconomic assumptions used in the baseline scenarios over a five year-period are disclosed in notes below. The assumptions represent the absolute percentage for interest rates, oil prices and year-on-year percentage changes for GDP.

	2025	*2026*	*2027*	*2028*	*2029*
USD SOFR – 1 year	(17.05)	(12.71)	(6.39)	3.97	(0.09)
Crude oil spot prices	(14.32)	(12.63)	3.44	2.78	1.29
World Real Gross Domestic Product (GDP)	2.80	2.54	2.62	2.67	2.89
UK Real Gross Domestic Product (GDP)	1.41	1.05	1.49	1.58	1.72
UK House Price Index (HPI)	(0.42)	(0.47)	0.52	(0.12)	0.08

Notes to the Financial Statements

31 Financial risk management (continued)

The table below shows the Bank's financial assets and the Bank's exposure to credit risk based on the earlier of the next interest rate re-pricing or residual maturity date.

As at 31 December 2025	*Not more than 3 months $'000*	*Within 6 months $'000*	*Between 6 months and 1 year $'000*	*Between 1 and 5 years $'000*	*After more than 5 years $'000*	*Total $'000*
Assets						
Cash and bank balances	22,682	-	-	-	-	22,682
Loans and advances to banks	751,519	133,475	79,365	72,290	-	1,036,649
Loans and advances to customers	220,919	125,876	76,029	316,604	199,581	939,009
Investment securities	235,155	57,682	130,210	144,445	8,769	576,261
Financial assets held at fair value through profit and loss	453,466	4	21,824	5,186	9,046	489,526
Other assets	-	2,277	-	-	-	2,277
Total	**1,683,741**	**319,314**	**307,428**	**538,525**	**217,396**	**3,066,404**

As at 31 December 2024						
Assets						
Cash and bank balances	54,720	-	-	-	-	54,720
Loans and advances to banks	680,406	228,443	41,221	49,825	-	999,895
Loans and advances to customers	120,070	78,278	55,701	202,122	145,007	601,178
Investment securities	837,356	295,251	126,496	192,016	5,310	1,456,429
Financial assets held at fair value through profit and loss	193	-	7,760	16,991	8,872	33,816
Other assets	-	1,361	-	-	-	1,361
Total	**1,692,745**	**603,333**	**231,178**	**460,954**	**159,189**	**3,147,399**

Notes to the Financial Statements

31 Financial risk management (continued)

Age analysis of past due but not impaired assets

The table below shows the age analysis of past due but not impaired risk assets. FirstBank UK held collateral against these assets:

	31 December 2025			31 December 2024		
	Gross amount $'000	Collateral $'000	Amount $'000	Gross amount $'000	Collateral $'000	Amount $'000
Past due up to 30 days	23,185	4,540	18,645	1,839	4,553	(2,714)
Past due by 30 - 60 days	1,553	5,789	(4,236)	72	981	(909)
Past due 60-90 days	279	669	(390)	601	1,176	(575)
Above 90 days	-	-	-	-	-	-
	25,017	10,998	14,019	2,512	6,710	(4,198)

Analysis of impaired financial assets

	31 December 2025			
	Gross amount $'000	12-month ECL $'000	Lifetime ECL $'000	Amount $'000
Loans and advances to customers (note 16)	26,187	-	(8,552)	17,635
	26,187	-	(8,552)	17,635

	31 December 2024			
	Gross amount $'000	12-month ECL $'000	Lifetime ECL $'000	Amount $'000
Loans and advances to customers (note 16)	27,797	-	(8,329)	19,468
Financial investments carried at amortised cost (note 18)	2,775	-	(1,292)	1,483
	30,572	-	(9,621)	20,951

Modification of financial assets

The Bank sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery. Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

Notes to the Financial Statements

31 Financial risk management (continued)

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for three consecutive months. The gross carrying amount of such assets held as at 31 December 2025 was nil (2024: Nil).

There are no financial assets with lifetime ECL whose cash flows were modified during the period as part of the Bank's restructuring activities.

The tables below show the Bank's credit exposure at carrying amounts as categorised by industry sectors and geographical region in which the Bank's customers conduct their business.

Credit exposure by sector

31 December 2025	*Banks* *$'000*	*Corporates* *$'000*	*Government* *$'000*	*Individual* *$'000*	*Total* *$'000*
Cash and bank balances	22,682	-	-	-	22,682
Loans and advances to banks	1,036,649	-	-	-	1,036,649
Financial assets at FVTPL	28,284	2,429	458,813	-	489,526
Investment securities	488,403	5,126	82,731	-	576,261
Loans and advances to customers	-	617,206	153,953	167,850	939,009
	1,576,018	**624,761**	**695,498**	**167,850**	**3,064,127**

Credit risk exposure relating to off balance sheet items are as follows:

Undrawn loan commitments	-	1,242	-	11,588	12,830
Letters of credit and guarantees	139,136	73,008	-	-	212,144
	139,136	**74,250**	**-**	**11,588**	**224,974**

31 December 2024	*Banks* *$'000*	*Corporates* *$'000*	*Government* *$'000*	*Individual* *$'000*	*Total* *$'000*
Cash and bank balances	54,720	-	-	-	54,720
Loans and advances to banks	999,895	-	-	-	999,895
Financial assets at FVTPL	26,429	2,035	5,352	-	33,816
Investment securities	474,285	4,981	977,163	-	1,456,429
Loans and advances to customers	-	399,172	51,909	150,097	601,178
	1,555,329	**406,188**	**1,034,424**	**150,097**	**3,146,038**

Notes to the Financial Statements

31 Financial risk management (continued)

Credit risk exposure relating to off balance sheet items are as follows:

Undrawn loan commitments	1,682	2,768	-	-	4,450
Letters of credit and guarantees	78,831	18,645	-	-	97,476
	80,513	21,413	-	-	101,926

Credit exposure by geography

31 December 2025	*Western Europe $'000*	*Africa $'000*	*North America $'000*	*Others $'000*	*Total $'000*
Cash and bank balances	15,781	31	6,144	727	22,682
Loans and advances to banks	430,689	605,960	-	-	1,036,649
Financial assets at FVTPL	3,036	36,061	450,429	-	489,526
Investment securities	146,052	78,984	184,924	166,300	576,261
Loans and advances to customers	40,922	738,221	3	159,863	939,009
	636,481	**1,459,257**	**641,501**	**326,890**	**3,064,128**

Credit risk exposure relating to off balance sheet items are as follows:

Undrawn loan commitments	-	12,830	-	-	12,830
Letters of credit and guarantees	56,773	139,192	-	16,179	212,144
	56,773	**152,022**	**-**	**16,179**	**224,974**

31 December 2024	*Western Europe $'000*	*Africa $'000*	*North America $'000*	*Others $'000*	*Total $'000*
Cash and bank balances	51,734	3	1,893	1,090	54,720
Loans and advances to banks	313,848	685,733	314	-	999,895
Financial assets at FVTPL	192	33,624	-	-	33,816
Investment securities	155,100	148,045	1,054,202	99,082	1,456,429
Loans and advances to customers	19,947	485,968	34	95,229	601,178
	540,821	**1,353,373**	**1,056,443**	**195,401**	**3,146,038**

Credit risk exposure relating to off balance sheet items are as follows:

Undrawn loan commitments	1,682	-	2,768	-	4,450
Letters of credit and guarantees	18,645	78,831	-	-	97,476
	20,327	**78,831**	**2,768**	**-**	**101,926**

Notes to the Financial Statements

31 Financial risk management (continued)

FirstBank UK extends credit facilities to quality rated and unrated counterparties. All rated counterparties must have acceptable Moody's (or equivalent) ratings. A sizeable percentage, 52% (2024: 57%) of FirstBank UK's total financial assets was to high quality financial institutions, the majority of which had ratings of between A and AAA.

As at 31 December 2025, FirstBank UK's maximum exposure to credit risk was $3,228mn (2024: $3,249mn), of which $27mn (2024: $26mn) was deemed to be impaired or doubtful. These amounts include all financial assets and undrawn irrevocable loan and trade commitments.

Total trade related exposure was $39mn (2024: $119mn) against which the Bank held cash collateral of $118mn (2024: $130mn). In addition, FirstBank UK had collateral of $809mn (2024: $409mn) in respect of other credit exposures.

Generally, FirstBank UK reduces its credit risk exposure by entering collateral arrangements with certain counterparties with whom it undertakes a significant volume of transactions including its parent, FirstBank. Under the terms of the collateral agreements, cash deposits are charged to the Bank as collateral for counterparty exposures. These arrangements do not result in an offset of balance sheet assets and liabilities. However, for regulatory reporting purposes the risk weighted assets are reduced by the amount of collateral held.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. FirstBank UK's market risk is primarily to foreign currency risk and interest rate risk. The objective of market risk management is to maintain market risk exposures within acceptable parameters, whilst optimising the return on risk.

Interest Rate Risk

Interest rate risk is the risk of loss in income or portfolio value as a result of changes in market interest rates. Interest rate risk originating from banking activities arises due to FirstBank UK holding a combination of fixed and variable rate assets and liabilities that arise during the normal course of business.

The tables below summarise the variable rate assets and liabilities as at 31 December 2025 as a basis of disclosing the Bank's interest rate sensitivity analysis.

Interest rate sensitivity analysis

FirstBank UK holds a mix of fixed-rate and variable-rate financial instruments. As a result, the Bank is exposed to cash flow interest rate risk.

Interest rate sensitivity analysis has been performed on the Bank's net cash flow interest rate risk exposures as at the reporting date. A range of possible upward/downward movements in SOFR/Euribor of 100 to 150bps has been assumed for the different currencies based on our expectation of future price movements.

Notes to the Financial Statements

31 Financial risk management (continued)

If all other variables are held constant, the tables below present the likely impact on the Bank's profit or loss.

As at 31 December 2025	*GBP*	*USD*	*EUR*	*Other currencies*	*Total*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Total financial assets	678,605	2,095,691	321,817	1,361	**3,097,474**
Less: fixed rate assets	(97,074)	(1,758,409)	(245,952)	-	**(2,101,435)**
	581,531	**337,282**	**75,865**	**1,361**	**996,039**
Total financial liabilities	1,213,895	1,356,093	68,994	1,290	**2,640,272**
Less: fixed rate liabilities	(1,169,869)	(359,252)	(2,553)	-	**(1,531,674)**
	44,026	**996,841**	**66,441**	**1,290**	**1,108,598**
Net Cash Flow Interest Rate Risk exposures	537,505	(659,558)	9,424	71	(112,558)
Possible movement in reference rate (bps)	100	150	100	100	-
Possible impact of increase in reference rate on profit/loss	5,375	(9,893)	94	1	(4,423)
Possible impact of decrease in reference rate on profit/loss	(5,375)	9,893	(94)	(1)	4,423

As at 31 December 2024	*GBP*	*USD*	*EUR*	*Other currencies*	*Total*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Total financial assets	469,128	2,360,580	266,905	-	**3,096,613**
Less: fixed rate assets	(30,877)	(2,091,238)	(235,814)	-	**(2,357,929)**
	438,251	**269,342**	**31,091**	**-**	**738,684**
Total financial liabilities	776,687	1,909,334	49,354	2,115	**2,737,490**
Less: fixed rate liabilities	(727,196)	(427,087)	(53)	-	**(1,154,336)**
	49,491	**1,482,247**	**49,301**	**2,115**	**1,583,154**
Net Cash Flow Interest Rate Risk exposures	388,760	(1,212,905)	(18,210)	(2,115)	(844,470)
Possible movement in reference rate (bps)	100	150	100	100	-
Possible impact of increase in reference rate on profit/loss	3,888	(18,194)	(182)	(21)	(14,509)
Possible impact of decrease in reference rate on profit/loss	(3,888)	18,194	182	21	14,509

Notes to the Financial Statements

31 Financial risk management (continued)

Foreign exchange risk

Foreign exchange exposure arises from normal banking activities, particularly from the receipt of deposits and the placement of funds denominated in foreign currencies. It is the Bank's policy to match the currencies of its assets and liabilities as far as practicable, in order to minimise exposure. The Bank also adheres to limits set by the Board in respect of its overall net open position.

The tables below presents FirstBank UK's net foreign currency exposures as at 31 December 2025 as a basis of disclosing the Bank's foreign currency sensitivity analysis.

Foreign exchange sensitivity analysis

Foreign currency sensitivity analysis has been performed on the foreign currency exposures inherent in FirstBank UK's financial assets and financial liabilities at the reporting dates presented, net of FX derivatives. The sensitivity analysis provides an indication of the impact on FirstBank UK's profit or loss of reasonably possible changes in the currency exposures embedded within the functional currency environment that the Bank operates in. Reasonably possible changes are based on an analysis of historical currency volatility, together with any relevant assumptions regarding near-term future volatility.

FirstBank UK considers it appropriate to assume a 5% appreciation/depreciation of each foreign currency against the Bank's functional currency. Holding all other variables constant, the tables below present the estimated impact on the Bank's profit or loss if such movements had occurred.

As at 31 December 2025	*GBP $'000*	*EUR $'000*	*Other currencies $'000*
Net foreign currency exposures	(15,354)	250,729	77
Impact of 5% increase in foreign currency: USD rate	768	(12,536)	(4)
Impact of 5% decrease in foreign currency: USD rate	(768)	12,536	4

As at 31 December 2024	*GBP $'000*	*EUR $'000*	*Other currencies $'000*
Net foreign currency exposures	46,905	(2,915)	171
Impact of 5% increase in foreign currency: USD rate	(2,345)	146	(9)
Impact of 5% decrease in foreign currency: USD rate	2,345	(146)	9

Notes to the Financial Statements

Liquidity risk

FirstBank UK is regulated in the United Kingdom by the PRA which sets the required liquidity mismatch parameters.

The Bank manages the liquidity profile of its assets, liabilities and commitments to ensure that cash flows are appropriately aligned, enabling all funding obligations to be met as they fall due and ensuring compliance with PRA-prescribed mismatch parameters. It is the Bank's policy to match the maturities and currencies of its assets and liabilities, as far as practicable, particularly in respect of large exposures and placements.

Maturity analysis

Maturity analysis is based on the (undiscounted) contractual cashflows and on the earlier of the periods to the next interest rate pricing date or the maturity dates.

2025	*Not more than 3 months $'000*	*Within 6 months $'000*	*Between 6 months and 1 year $'000*	*Between 1 and 5 years $'000*	*After more than 5 years $'000*	*Total $'000*
Liabilities						
Deposits from banks	742,638	45,993	-	-	-	**788,631**
Deposits from customers	878,440	137,199	392,903	264,249	-	**1,672,791**
Subordinated liabilities	-	255	-	60,000	-	**60,255**
Other liabilities	137,768	-	-	-	-	**137,768**
	1,758,846	183,447	392,903	324,249	-	**2,659,445**
Off balance sheet items:						
Letters of credit and guarantees	132,581	24,553	29,832	25,178	-	**212,144**
Undrawn loan commitment	-	12,830	-	-	-	**12,830**
	1,891,427	**220,830**	**422,735**	**349,427**	**-**	**2,884,419**

2024	*Not more than 3 months $'000*	*Within 6 months $'000*	*Between 6 months and 1 year $'000*	*Between 1 and 5 years $'000*	*After more than 5 years $'000*	*Total $'000*
Liabilities						
Deposits from banks	1,350,932	167,502	-	-	-	**1,518,434**
Deposits from customers	660,678	41,473	198,622	159,362	-	**1,060,135**
Subordinated liabilities	-	240	-	60,000	-	**60,240**
Other liabilities	150,204	-	-	-	-	**150,204**
	2,161,814	209,215	198,622	219,362	-	**2,789,013**
Off balance sheet items:						
Letters of credit and guarantees	58,030	8,072	31,374	-	-	**97,476**
Undrawn loan commitment	-	-	1,682	2,768	-	**4,450**
Total liabilities	**2,219,844**	**217,287**	**231,678**	**222,130**	**-**	**2,890,939**

Derivative liabilities

The table below analyses the Bank's derivative financial liabilities into relevant maturity groupings based on the remaining period at the date of statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2025	*Not more than 3 months $'000*	*Within 6 months $'000*	*Between 6 months and 1 year $'000*	*Between 1 and 5 years $'000*	*After more than 5 years $'000*	*Total $'000*
Derivative liabilities						
FX forwards	1,649	372	122	-	-	**2,143**
	1,649	372	122	-	-	**2,143**
2024						
Derivative liabilities						
FX forwards	177	2,830	-	-	-	**3,007**
	177	2,830	-	-	-	**3,007**

32 Capital management

Capital comprises Tier 1 and Tier 2 elements. FirstBank UK's Tier 1 capital is equivalent to its equity, consisting of paid-up share capital, retained earnings and revaluation reserves as presented in the statement of financial position. Tier 2 capital is the issued subordinated debt due March 2029. The Bank's capital management strategy is to maintain a sufficient capital base to cover its business risks, anticipated growth and comply with all regulatory requirements. The Bank aims to maintain strong capital ratios to support sustainable business operations.

The PRA supervises the Bank, receiving information on the capital adequacy and setting the capital requirements. The Bank actively manages its capital position and reports regularly to the Board and senior management through the ALCO and other governance forums. ALCO is responsible for managing the capital of the Bank in line with the risk appetite set by the Board. This includes policy governance, oversight of internal controls, and the setting of internal limits for capital ratios.

The Bank's capital framework is based on the three-pillar approach:

- Pillar 1: minimum capital requirements, currently set at 8%;
- Pillar 2: the Internal Capital Adequacy Assessment Process (ICAAP), which assesses additional capital requirements based on the Bank's risks profile; and
- Pillar 3: market discipline through enhanced disclosures.

In addition, the PRA sets specific capital buffer requirements for the Bank. The Bank remained well above its regulatory capital requirements throughout the year.

The Bank's regulatory capital as at 31 December 2025 is as follows:

Notes to the Financial Statements

	31 December 2025	31 December 2024
Tier one capital	$	$
Shareholders' funds	422,669,470	382,303,482
Less:		
Regulatory adjustments	(9,654,778)	(18,540,616)
Tier one capital	**413,014,692**	**363,762,866**
Tier two capital		
Available tier two capital	38,576,123	50,311,037
Total available capital	**451,590,815**	**414,073,903**

The third pillar covers the requirement for disclosures to market participants on the Bank's capital, risk weighted assets and risk assessment processes. Further details about the Bank's regulatory capital requirement and its management are disclosed in the Bank's Pillar 3 Disclosure document published on its website.

33 Fair value of financial instruments

Categories of financial instruments

The table below represents FirstBank UK's assets and liabilities carrying amounts, classified by the categories as defined in IFRS 9.

31 December 2025	*Fair Value through profit and loss $'000*	*Fair Value through OCI $'000*	*Amortised cost $'000*	*Total $'000*
Financial assets				
Cash and bank balances	-		22,682	**22,682**
Loans and advances to banks	-		1,036,649	**1,036,649**
Loans and advances to customers	-		939,009	**939,009**
Financial assets held at fair value through profit or loss	489,526		-	**489,526**
Investment securities:				
Investment securities carried at amortised cost	-		501,439	**501,439**
Investment securities carried at FVOCI		74,822		**74,822**
Other assets	-		2,277	**2,277**
	489,526	74,822	2,502,056	3,066,404

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31 December 2025	*Fair Value through profit and loss $'000*	*Fair Value through OCI $'000*	*Amortised cost $'000*	*Total $'000*
Financial liabilities				
Deposits from banks	-		788,631	**788,631**
Deposits from customers	-		1,672,792	**1,672,792**
Other liabilities	-		138,694	**138,694**
Financial liabilities at fair value through profit and loss	2,143		-	**2,143**
Subordinated liabilities	-		60,255	**60,255**
	2,143		2,660,372	2,662,515

31 December 2024	*Fair Value through profit and loss $'000*	*Fair Value through OCI $'000*	*Amortised cost $'000*	*Total $'000*
Financial assets				
Cash and bank balances	-		54,720	**54,720**
Loans and advances to banks	-		999,895	**999,895**
Loans and advances to customers	-		601,178	**601,178**
Financial assets held at fair value through profit or loss	33,816		-	**33,816**
Investment securities:				
Investment securities carried at amortised cost	-		488,452	**488,452**
Investment securities carried at FVOCI		967,977		**967,977**
Other assets	-		1,361	**1,361**
	33,816	967,977	2,145,606	3,147,399
Financial liabilities				
Deposits from banks	-		1,518,434	**1,518,434**
Deposits from customers	-		1,060,135	**1,060,135**
Other liabilities	-		150,027	**150,027**
Financial liabilities at fair value through profit and loss	3,007		-	**3,007**
Subordinated liabilities	-		60,240	**60,240**
	3,007		2,788,836	2,791,843

Notes to the Financial Statements

33 *Fair value of financial instruments (continued)*

Set out below is a year-end comparison of carrying and fair values of all the FirstBank UK's financial instruments by category. The fair values are determined as stated below.

	Carrying value		*Fair value*	
	31 December 2025 $'000	*31 December 2024 $'000*	*31 December 2025 $'000*	*31 December 2024 $'000*
Cash and bank balances	22,682	54,720	22,682	54,720
Loans and advances to banks	1,036,649	999,895	1,036,649	999,895
Loans and advances to customers	939,009	601,178	939,009	601,178
Financial assets held at fair value through profit and loss	489,526	33,816	489,526	33,816
Investment securities				
Investment securities at amortised cost	501,499	488,452	505,875	485,162
Investment securities at FVOCI	74,822	967,977	74,822	967,977
Other assets	2,277	1,361	2,277	1,361
	3,066,464	3,147,399	3,070,840	3,144,109
Deposits from banks	788,631	1,518,434	788,631	1,518,434
Deposits from customers	1,672,792	1,060,135	1,672,792	1,060,135
Financial liabilities held at FVTPL	2,143	3,007	2,143	3,007
Subordinated liabilities	60,255	60,240	60,255	60,240
Other liabilities	137,678	150,027	137,678	150,027
	2,661,499	2,791,843	2,661,499	2,791,843

Basis of determination of fair values

Cash at bank and in hand

These consist of cash held in hand and balances held in nostro accounts with other banks. The carrying amount of the cash balances is deemed to be a reasonable representation of the fair value.

Loans and advances to banks

These comprise of loans granted to financial institutions and short-term placements with banks. The carrying amount of the loans is deemed a reasonable approximation of their fair value.

Loans and advances to customers

These comprise loans and other facilities granted to non-bank customers. The carrying amount of the loans is deemed a reasonable approximation of their fair value.

Investment securities

These comprise mainly of marketable debt securities. The basis of estimating the fair value of these assets is by ascertaining the market value as at the balance sheet date.

Notes to the Financial Statements

33 Fair value of financial instruments (continued)

Financial assets – derivatives

These primarily comprise forward foreign exchange contracts. Their fair value is determined using valuation techniques, including forward pricing and swap models that use present value calculations. The models incorporate a range of inputs, including counterparty credit quality of and forward rate curves of the underlying instruments.

Financial Instruments at fair value through profit or loss

These comprise debt instruments held for trading purpose. These securities are fair valued at each reporting date using the quoted market prices.

Deposits from banks

These mainly comprise deposits from financial institutions. The carrying amount of these deposits is deemed to approximate their fair value.

Deposits from customers

These mainly comprise deposits from non-bank customers. The carrying amount of these deposits is deemed to approximate their fair value.

Financial liabilities - derivatives

These primarily comprise forward foreign exchange contracts. Their fair value is determined using valuation techniques, including forward pricing and swap models that use present value calculations. The models incorporate inputs such as counterparty credit quality and forward rate curves of the underlying instruments.

Subordinated liabilities

These are long-term debt liabilities, fair value of which has been estimated using the carrying amount of these liabilities as reasonable approximation of market value.

Fair value measurement recognised in the statement of financial position

The following tables provide an analysis of financial instruments for FirstBank UK that are measured and recorded at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

33 Fair value of financial instruments (continued)

The table below shows the carrying value of financial assets not measured at fair value.

	Level 1 $'000	*Level 2 $'000*	*Level 3 $'000*	*Total $'000*
31 December 2025				
Financial assets				
Cash and bank balances	-	-	22,682	**22,682**
Loans and advances to banks	-	-	1,036,649	**1,036,649**
Loans and advances to customers	-	-	939,009	**939,009**
Investment securities carried at amortised cost	501,439	-	-	**501,439**
Other assets	-	-	2,277	**2,277**
Financial liabilities				
Deposits from banks	-	-	788,631	**788,631**
Deposits from customers	-	-	1,672,792	**1,672,792**
Subordinated liabilities	-	-	60,255	**60,255**
Other liabilities	-	-	137,768	**137,768**

	Level 1 $'000	*Level 2 $'000*	*Level 3 $'000*	*Total $'000*
31 December 2024				
Financial assets				
Cash and bank balances	-	54,720	-	**54,720**
Loans and advances to banks	-	-	999,985	**999,985**
Loans and advances to customers	-	-	601,178	**601,178**
Investment securities carried at amortised cost	488,452	-	-	**488,452**
Other assets	-	-	1,361	**1,361**
Financial liabilities				
Deposits from banks	-	-	1,518,434	**1,518,434**
Deposits from customers	-	-	1,060,135	**1,060,135**
Subordinated liabilities	-	-	60,240	**60,240**
Other liabilities	-	-	150,027	**150,027**

Notes to the Financial Statements

33 Fair value of financial instruments (continued)

The table below show the fair value hierarchy of financial instruments measured at fair value. There are no transfers between level 1 and level 2 during 2025 (2024: None)

	Level 1 $'000	*Level 2 $'000*	*Level 3 $'000*	*Total $'000*
31 December 2025				
Financial assets held at fair value through profit or loss				
Derivatives	-	3,036	-	**3,036**
Debt securities	486,490	-	-	**486,490**
Financial assets held at fair value through other comprehensive income				
Debt securities	74,822			**74,822**
Financial liabilities held at fair value through profit or loss				
Derivatives	-	2,143	-	**2,143**

	Level 1 $'000	*Level 2 $'000*	*Level 3 $'000*	*Total $'000*
31 December 2024				
Financial assets held at fair value through profit or loss				
Derivatives	-	1,204	-	**1,204**
Debt securities	32,613	-	-	**32,613**
Financial assets held at fair value through other comprehensive income				
Debt securities	967,977			**967,977**
Derivatives	-	3,007	-	**3,007**

Notes to the Financial Statements

34 Analysis of balances of cash and cash equivalents in the statement of cashflows

	Note	*31 December 2025 $*	*31 December 2024 $*
Cash and bank balances	14	22,682,468	54,719,600
Loans and advances to banks - repayable on demand	15	412,157,643	308,017,925
		434,840,111	362,737,525

Changes in liabilities arising from financing activities

	01 January 2025 $	*Cash flows $*	*Others $*	*31 December 2025 $*
Current lease liabilities	**998,135**	(1,313,025)	1,349,807	**1,034,917**
Non-current interest-bearing loans and borrowings	**60,240,000**	(5,460,000)	5,475,000	**60,255,000**
Non-current lease liabilities	**5,968,245**	-	(535,513)	**5,432,732**
Total liabilities from financing activities	67,206,380	(6,773,025)	6,289,294	66,722,649

'Others' comprises the reclassification from non-current lease liabilities to current lease liabilities, the interest cost on these liabilities for the current year and exchange rate differences in relation to lease liabilities.

	01 January 2024 $	*Cash flows $*	*Others $*	*31 December 2024 $*
Current lease liabilities	**895,972**	(931,173)	1,033,336	**998,135**
Non-current interest-bearing loans and borrowings	**60,255,000**	(5,505,000)	5,490,000	**60,240,000**
Non-current lease liabilities	**6,821,067**	-	(852,822)	**5,968,245**
Total liabilities from financing activities	67,972,039	(6,436,173)	5,670,514	67,206,380

35 Dividends

No dividend was paid by FirstBank UK Limited in respect of the year ended 31 December 2025 (2024: Nil).

36 Parent and ultimate parent undertaking

The Bank's immediate parent company is First Bank of Nigeria Limited. The ultimate parent company and controlling party is First HoldCo Plc, a company incorporated in Nigeria, and which prepares group accounts including all companies within the FirstBank group. The parent of the smallest and largest group for which Group accounts are prepared and of which FirstBank UK is a member is First HoldCo Plc.

The registered address of First HoldCo Plc is 11th Floor, Samuel Asabia House, 35 Marina, Lagos, Nigeria. Copies of such accounts may be obtained from the group website www.first-holdco.com .

Notes to the Financial Statements

37 Post balance sheet events

The maturity date of the Bank's subordinated debt from its parent company, FirstBank Nigeria Limited, has been extended to 17 December 2030. The revised terms take effect from 16 March 2026.

The Directors are not aware of any other material events that have occurred between the date of the Statement of Financial Position and the date of this report.

38 Review of FY2024 Annual Reports and Financial Statements by Financial Reporting Council

During the year, the Financial Reporting Council (FRC) conducted a limited scope review of the Bank's Annual Reports and Accounts for the year ended 31 December 2024 in accordance with Part 2 of its Corporate Reporting Review Operating Procedures. The review was undertaken to assess compliance with relevant accounting standards and Companies Act 2006.

The FRC recommended enhancements to disclosures relating to IFRS 7 *Financial Instruments: Disclosures*, and analysis of the Bank's business performance within the Strategic Report. These changes have been incorporated in this Annual Reports and Financial Statement.