

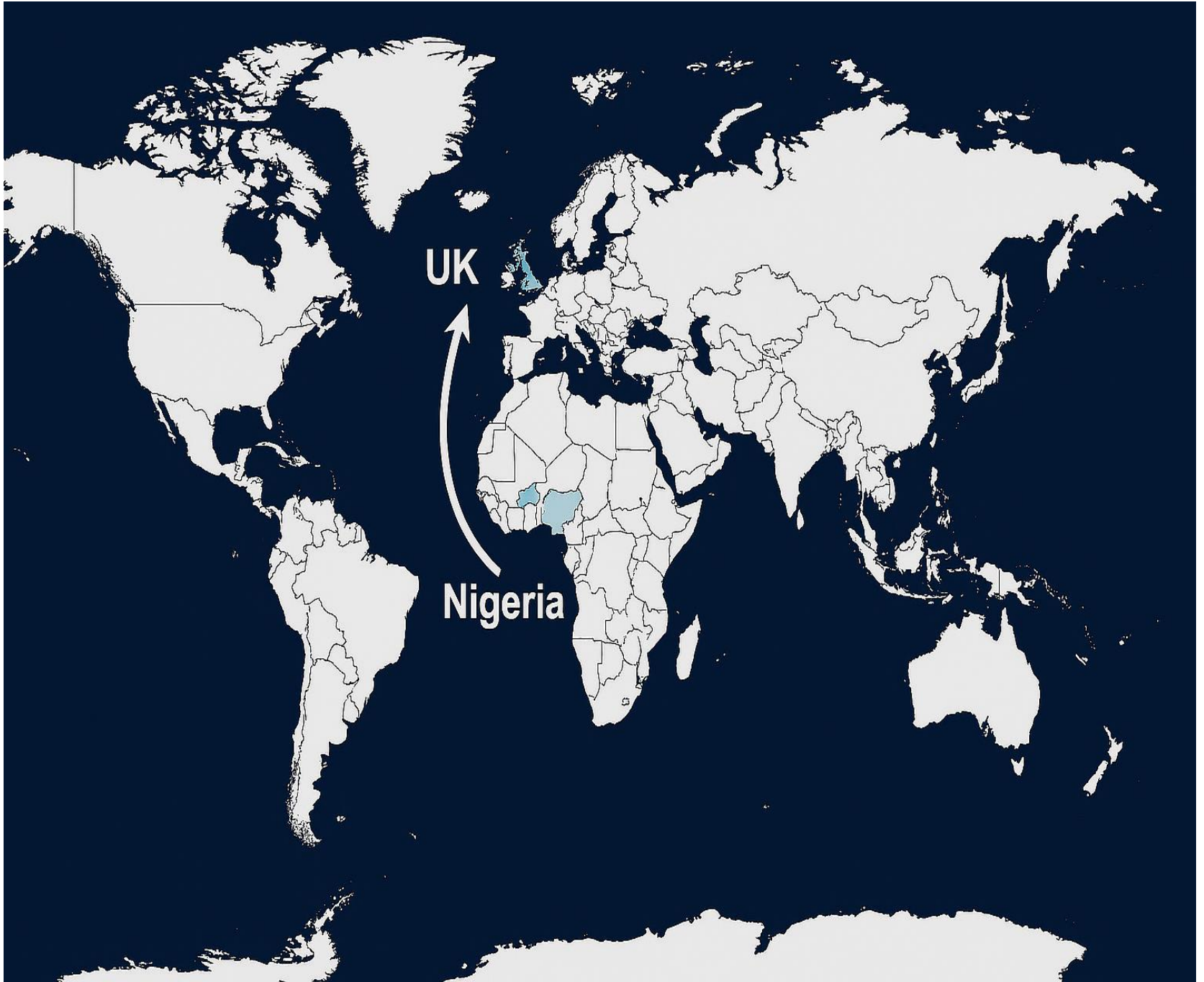


FIDBANK UK LIMITED
FIDBANK UK LIMITED

ANNUAL REPORT

31ST DECEMBER 2025





CONTENTS

About the Company	4
Core Values	5
Financial Highlights	6
Performance Metrics	7
Chairman's Statement	8 - 10
Strategic Report	11 - 17
Directors' Report	18 - 23
Directors' Responsibilities Statement	24
Corporate Governance	25
Update on Human Resource	26
Independent Auditor's Report	27 - 33
Statement of Comprehensive Income	34
Statement of Financial Position	35
Statements of Changes in Equity	36
Statement of Cash Flows	37
Notes to the Financial Statements and Other Disclosures	38 - 69

ABOUT THE COMPANY

THE BOARD OF DIRECTORS:

DIRECTORS	POSITION	APPOINTMENT DATE	RESIGNATION DATE
Johnson Ememandu	Managing Director/Chief Executive	24 October 2025	
David Forster	Managing Director/Chief Executive	18 October 2013	11 April 2025
Ndidi R Dimanochie	Executive Director	26 July 2023	
Nneka Onyeali-Ikpe	Non-Executive Director	26 July 2023	
Emeka Okonkwo	Non-Executive Director	25 May 2018	
Caroline C Bault	Independent non-executive and Chair of the Remuneration and People Committee	26 July 2023	
Mark V Jarvis	Independent non-executive and Chairman of the Audit and Compliance Committee	26 July 2023	
Mobola Faloye	Independent Non-executive Director and Chair of Risk Committee	08 July 2024	

MANAGEMENT & BOARD COMMITTEE:

NAME OF THE COMMITTEES	CHAIRPERSON	FREQUENCY
Assets & Liabilities Committee (ALCO)	Johnson Ememandu	Monthly
Management Risk Committee (MRC)	Johnson Ememandu	Monthly
Credit Risk Committee (CRECO)	Johnson Ememandu	Monthly
New Product Committee (NPC)	Martin Uzus	Ad-hoc
Project & Change Steering Committee (PSC)	Steven Bennett	Ad-hoc
Executive Committee (EXCO)	Johnson Ememandu	Monthly
The Board	Nneka Onyeali-Ikpe	Quarterly
Board Risk Committee (BRC)	Mobola Faloye	Quarterly
Board Audit & Compliance Committee (BACC)	Mark V. Jarvis	Quarterly
Board Remuneration and People Committee (BRPC)	Caroline Bault	Quarterly
Board Credit Committee (BCC)	Mobola Faloye	Monthly/ Quarterly

Registered Office:

Company Secretary:

Solicitors:

Auditors:

Company Registration number:

1 King's Arms Yard,
Oyedokun Faniran
Hogan Lovells LLP
BDO LLP
04661188

London, EC2R 7AF
London, EC2R 7AF
Atlantic House, London, EC1A 2FG
55 Baker Street, London, W1U 7EU

Our Core Values



FINANCIAL HIGHLIGHTS

Thousands of US Dollars (Unless otherwise stated)

<i>Reporting period ended</i>	2025 31 December	2024 31 December	2023 31 December	2022 31 December	2021 31 December
Total Income	16,442	12,135	8,800	3,971	3,949
Profit/Loss before tax	920	(2,151)	(3,023)	(5,382)	(5,966)
Profit/Loss after tax	920	(2,151)	(3,023)	(5,382)	(5,965)
Dividends declared	-	-	-	-	-
Shareholders' Funds	56,281	55,371	57,497	35,519	40,898
Total Assets	450,122	272,320	189,609	96,633	170,895
Capital / Risk Weighted Assets	21.46%	43%	98%	54%	40%
Return on Equity	1.63%	(3.9%)	(5.3%)	(15.2%)	(14.6%)
Cost Income Ratio	95.6%	112%	136%	232%	263%
NPL Ratio	0.07%	0.55%	-	-	-
Dollar / Sterling exchange rate					
Year End	\$1.35	\$1.25	\$1.27	\$1.20	\$1.35
Average	\$1.32	\$1.28	\$1.25	\$1.23	\$1.38

Capital Ratio =	$\frac{\text{Shareholders' Funds}}{\text{Risk Weighted Assets}}$	Return on Equity =	$\frac{\text{Profit after Tax}}{\text{Shareholders' Funds}}$
Cost Income Ratio =	$\frac{\text{Total Costs}}{\text{Total Income}}$	NPL Ratio =	$\frac{\text{Gross Non-Performing Loans}}{\text{Loans to Banks and Customers}}$

PERFORMANCE METRICS

\$271m

Lending
(2024: \$121m)



\$16m

Operating income
(2024: \$12m)



178%

LCR Ratio
(2024: 243%)



\$16.4m

Operating profit
(2024: Profit
\$12.1m)



\$8m

Interest paid
(2024: \$4.8m)



No: 59

Head count
(2024: No 54)



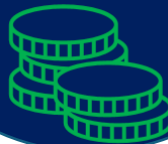
\$0.92m

Profit before Tax
(2024: Loss \$2.1m)



\$391m

Gross deposits
(2024: \$214m)



21.64%

Capital ratio
(2024: 43%)



Opening Remarks

2025 marks the second full financial year of operations for FidBank UK Ltd ("the Bank" or "FBUK") as we continue to advance our strategic ambitions and strengthen our position within the financial services landscape.

As Chairman of the Board of FBUK, it has been my pleasure to work alongside my fellow Board members in supporting the executive team through this important phase of growth and development.

The year has been characterised by disciplined execution and a firm commitment to delivering sustainable value for all our stakeholders especially our customers.

2025 Financial Performance

The Bank's performance in 2025 reflects a continued period of disciplined growth, underpinned by a prudent approach to liquidity management and deposit mobilisation. This strategy enabled the Bank to expand its balance sheet responsibly while strengthening the asset base.

These outcomes have positioned the Bank on a strong positive trajectory and financial resilience. The uplift in performance relative to the 2024 financial year was underpinned by the following key drivers:

- The Interest rate environment in 2025 witnessed a deliberate easing across both the United Kingdom and the United States of America. This downward trajectory in benchmark rates influenced the Bank's interest-earning profile during the year.

The UK Bank of England base rate started the year at 4.75%, but this was progressively reduced during the year to close the year at 3.75% in December 2025. These reductions in the Bank of England reference rates shaped the interest income earning capacity of the bank.

Similarly, the US Federal Reserve rates followed an almost similar pattern moving from a range of 4.25% to 4.50% at the start of the year to a range of 3.75% to 4.00% at the end of 2025.

As the rates declined, the margin earned on variable-rate linked loans, gradually reduced and placed downward pressure on overall interest income. While the new asset originations priced accordingly began to dilute the returns on the interest earning assets, these were cushioned by existing assets on the books and the expansion of the balance sheet size.

Overall, the downward interest rate movements in both the UK and the US created a progressive reduction in asset yields, but the Bank's strong balance-sheet expansion, combined with growth in interest-earning assets helped to mitigate these impacts.

Fees and commission income increased by 22% in 2025, driven mainly by higher transaction volumes across trade finance, account maintenance and electronic banking services. Dealing and exchange gains also increased compared to the prior year and improved performance from the Bank's securities-related investment portfolio.

- The Bank's balance sheet expanded by 65% year on year, rising by \$178m to approximately \$450m as at December 2025, compared to \$272m at the end of 2024.

This substantial growth was driven predominantly by the significant growth in interest-earning assets, most notably \$150m increase in loans and advances in addition to growths in placements and investments.

Inflation in Nigeria decreased from 34% in December 2024 to 15% in December 2025. On the other hand, the UK inflation environment changed from 3.5% in December 2024 to 3.6% at the end of December 2025.

As inflation subsided in Nigeria, the markets regained confidence, and volatility eased which benefitted Nigeria linked trades and improved financial resilience across Nigeria-exposed corporates. For the United Kingdom, the increase of the inflation rates in the early part of 2025 to a peak of 4.2% and gradual reduction later in the year allowed the Bank of England to continue its measured rate cut which contributed to a downward movement in base rates.

CHAIRMAN'S STATEMENT

While the Bank of England rate has reduced by 1% during the year as part of the measures relating to inflation, the monetary policy rate in Nigeria decreased by only 0.5% during 2025. However, the reduction in inflation in Nigeria strengthened credit and trade finance flows, expanding interest-earning opportunities. The Nigerian inflation rate remains high necessitating continued vigilance. The effect from the UK trajectory also requires careful management as the rate reduction compresses yield.

Our average staffing increased throughout the year, as the Bank deepened activity in the new phase of growth. Average staffing levels increased from 54 in 2024 to 59 at the end of 2025 in line with increase in operations and expansion of activities.

Administrative expenses including personnel costs increased from \$12.8m in 2024 to \$14.7m in 2025, reflecting the Bank's expanded operations as it scales to support higher transaction volumes.

The year 2025 marked a significant point for the Bank. Our operations scaled materially, as demonstrated by the substantial growth in the balance sheet and the strong increase in business activity across the franchise. Importantly, the Bank returned to profitability after several years of losses, underscoring the effectiveness of our strategic direction and operational discipline.

This is an exciting and transformative period for the institution, and the momentum established in 2025 positions us strongly as we move into 2026 and continue to build on the progress achieved.

2026 Outlook

In 2026, we expect this positive trajectory to continue as the Bank enters the year with a strengthened balance sheet and a reinvigorated strategic direction. The Bank's expanded and growing balance sheet has strengthened our capacity to serve customers across their markets, while also positioning the institution to effectively navigate through the emerging lower interest rate environment in the US and in the UK.

This is an exciting period for the Bank. The progress made in 2025 financial year has positioned the bank to deepen our market presence and to deliver increasing value to our shareholders and customers.

With the momentum established in 2025, we are confident that 2026 will be a year of continued expansion and improved profitability.

In reviewing the past financial year, I am greatly encouraged by the substantial progress the Bank has made and remain confident in the strength of the opportunities ahead

Appreciation

I wish to convey my sincere appreciation to our customers and to our dedicated staff. Your trust in partnering with us, together with your commitment and diligence, has been pivotal to the Bank's progress. I remain deeply grateful for your continued support.



Dr. Nneka Onyeali-Ikpe

Chairman

28 April 2026



Overview

FBUK's strategic objective is to operate as an extension of Fidelity Bank Plc within the UK market. The Bank continues to strengthen its core business segments: Treasury, Corporate, Financial Institutions and Wealth Management, through expansion of its product offerings and development of solutions for customers.

Performance

The Bank's performance in 2025 demonstrated a significant increase in business volumes relative to the prior financial year. This enabled a return to profitability for the year. While the reduction in the Bank of England base rate, from 4.75% at the beginning of the year to 3.75% at the end of the year, and the easing of rates by the U.S. Federal Reserve from a range of 4.25% to 4.5% at the end of 2024 down to 3.5% to 3.75% at the end of 2025 shaped the Bank's interest-earning capacity, the substantial expansion of our balance sheet more than offset these headwinds.

This translated into a pre-tax profit of \$0.92m in 2025, a notable turnaround from the pre-tax loss of \$2.1m recorded in the previous financial year

Interest income for the year rose to \$19.8m, an increase from the \$14.7m recorded in 2024, reflecting the combined impact of higher business activity and an expanded asset base. However, this was accompanied by a corresponding rise in interest expense, which increased from \$4.8m in 2024 to \$8.1m in 2025.

The growth in interest expense was primarily driven by the significant year on year expansion of the Bank's deposit liability base, as customer balances increased in line with the broader scaling of our franchise.

Non-interest revenue, comprising fees and commissions, foreign exchange income, and securities dealing income, totalled \$4.7m in 2025, an increase from \$2.3m in the prior year. This performance reflects the diversification of the Bank's non-interest income streams and increased customer activity and engagement across our core services.

Average staffing increased during the year in line with the Bank's broader expansion activities. Headcount rose from 54 in post as at the end of 2024 to 59 as of 31 December 2025, reflecting the additional capacity required to support the Bank's growing operations.

Correspondingly, administrative expenses, including personnel costs, increased from \$12.8m in 2024 to \$14.7m in 2025. This rise is consistent with the scale-up of the Bank's operational footprint and the resources needed to manage higher transaction volumes and an expanded customer base.

The improvement in the quality of the Bank's asset portfolio resulted in a write-back of impairment charges amounting to \$0.2m, compared with \$0.64m charge as of 31 December 2024. This reflects both the enhanced credit quality of the current asset book and the maturities of prior-year exposures which had attracted higher impairment provisions from the end of year credit risk assessments.

Position

Total assets increased significantly from \$272m as of 31 December 2024 to \$450m as at 31 December 2025, reflecting the substantial expansion of the Bank's balance sheet during the year. Cash and cash equivalents, including overnight placements, rose from \$99.9m at the end of 2024 to \$122m at the close of 2025.

Similarly, loans and advances grew markedly, increasing from \$121m in the prior year to \$271m by year end 2025. In contrast, the investment portfolio decreased modestly from \$47m in 2024 to \$42m as of December 2025

The overall growth in the Bank's asset base was principally funded by the corresponding increase in deposit liabilities. Of the \$177m rise in total deposits, customer deposit balances expanded from \$108m as at 31 December 2024 to \$206m as at 31 December 2025, while deposits from banks increased from \$106m to \$185m over the same period. This substantial growth in funding reflects the wider expansion of the Bank's business activities during the year.

Key Performance Indicators

The principal performance indicators monitored by the Board include the Bank's pre-tax return on equity (ROE), capital to risk weighted assets ratio, cost to income ratio, and key liquidity metrics. Taken together, these measures provide a comprehensive assessment of the Bank's profitability, capital resilience, and overall liquidity strength.

In the 12 months to 31 December 2025, FBUK's capital over risk weighted assets was 21.99% (2024: 43%) and return on equity was 1.63% (2024: loss of 3.9%). The Bank maintained its Liquidity Coverage Ratio comfortably above the minimum requirements throughout the year, reflecting the prudent management of liquidity resources and adherence to the Bank's established liquidity risk framework.

The Bank's capital resources remained strong throughout the year, although the capital-to-risk-weighted-assets ratio decreased from 43% in 2024 to 21.99% in 2025. This movement reflects the significant expansion of the Bank's loan book and overall asset base during 2025, which resulted in higher risk weighted assets and therefore a lower ratio, notwithstanding the Bank's robust capital levels.

Return on equity (ROE) improved materially year on year, increasing from -3.9% in 2024 to 1.63% in 2025. This positive movement reflects the Bank's return to profitability and the enhanced contribution from core business activities.

The key efficiency metric monitored by the Board is the cost-to-income ratio, which improved to 95.6% in 2025 from 112% in 2024. This improvement reflects the Bank's enhanced income-generating capacity, notwithstanding the overall increase in operating costs associated with supporting higher business activity during the year.

The Bank recognises that movements in the Sterling/US dollar exchange rate may affect its cost base and continues to monitor this risk closely, taking appropriate action accordingly. The Bank's financial performance is presented in the Statement of Comprehensive Income on page 34, with the resulting impact on shareholders' funds detailed in the Statement of Changes in Equity on page 36.

Climate Change Risk Strategy

During the year, the Bank continued to enhance its Climate Change Risk Strategy in line with the PRA's Supervisory Statement "Managing the Financial Risks from Climate Change", under the leadership of the Chief Risk Officer (SMF4).

Based on the Bank's exposures in 2025, FBUK's climate related financial risk were not material. However, as the Bank's balance sheet grows this will be continuously monitored and managed with the PRA's expectations and proportionality.

The Bank is actively progressing its implementation plan to align with the PRA's Supervisory Statement SS2/25 on climate-related financial risks, with full adoption targeted for 2026. This includes enhancing climate risk governance, embedding climate considerations into risk management and ICAAP/ILAAP processes, and strengthening scenario analysis and disclosures in line with regulatory expectations.

The Bank maintains the following:

- Climate Risk Policy – aligned to the five-pillar structure of the Enterprise-Wide Risk Framework and setting out the Bank's mission statement, overarching commitment and strategic approach to managing climate related risks.
- Climate Risk Framework – providing the practical methodology for applying the Policy across business activities, including the assessment of climate related risks relevant to the Bank's business model and client base.
- Climate Change Risk Assessment – evaluating climate risks (physical and transition) to which the Bank may be exposed to and incorporating findings in the counterparty scorecards and ratings.
- Science based carbon analysis – in partnership with a leading specialist, the Bank is deploying science-based carbon accounting techniques to benchmark operational CO₂ emissions and support ongoing climate risk assessments.

Future Prospects

The Bank, as a part of the Fidelity Bank Plc group, remains committed to serving its current customers and target market and will continue to be a leading provider of specialised financial services to target clients with interests in the UK, Europe and Africa.

In assessing its future prospects, the Bank has considered ongoing geopolitical tensions in the Middle East, including developments relating to Iran, and the potential implications for global oil prices.

The Bank recognises that volatility in oil prices may have both positive and adverse effects on customers operating within the oil and gas sector. Elevated oil prices may support revenues, liquidity and debt servicing capacity for upstream clients, while increased price volatility and cost pressures may adversely affect downstream and service-related businesses.

As part of its risk management framework, the Bank continues to monitor developments in global energy markets and assesses the resilience of its oil and gas exposures through regular portfolio reviews and stress testing, including sensitivity to oil price fluctuations. Where appropriate, mitigating actions such as enhanced monitoring, covenant reviews and credit risk adjustments are undertaken.

Based on current assessments, the Bank considers its exposure to the oil and gas sector to be appropriately managed and does not expect a material adverse impact on its overall financial position. However, the situation remains subject to ongoing monitoring.

Risk Management

The Bank manages risk through a comprehensive Enterprise-Wide Risk Management Framework (ERMF), which outlines the methods and processes used to identify, assess, monitor, and report risks across all three lines of defence. The ERMF includes all the key risks the Bank faces which is complimented by the Risk Taxonomy which is split between Level 1 and Level 2 risks.

The ERMF is further underpinned by the Bank's Risk Appetite Statement (RAS), that serves as the foundation for setting appetite levels across individual risk areas that the Bank is willing to accept. The RAS is expressed through high level qualitative guidance and is supported by quantitative Key Risk Indicators, each with Board approved thresholds that are monitored using the RAG rating system.

Together, these documents clarify responsibilities across the three lines of defence and allocate ownership of specific risk categories in line with the Senior Managers and Certification Regime.

The Chief Risk Officer is responsible for maintaining the ERMF, the Risk Taxonomy, and the RAS, with the final approval resting with the Board. During 2025, the Bank updated the RAS, refining new KRI's and thresholds to measure and monitor new and different risks.

Approach to Risk Management

FBUK has adopted the 'Three Lines of Defence' model for risk management which seeks to differentiate those with direct responsibility for the management and control of risk; those with oversight responsibility across the operating effectiveness of the ERMF.

First Line of Defence (1LoD): The Business and Business Support departments are 1LoD. All colleagues from the 1LoD are responsible for the effectiveness management of risk in accordance with the ERMF. The 1LoD owns risks relevant to each business function, designs and operates key controls and reports on their effectiveness to senior management and the relevant committees. The 1LoD is responsible for taking action to address any unwanted risk exposure and report on the progress of these actions to 2LoD and committees accordingly.

Second Line of Defence (2LoD): The 2LoD defines the Bank's approach towards risk management and support, educate, facilitate awareness, independently monitor, challenge, report and if necessary, provide direct guidance to the 1LoD. 2LoD is responsible

for managing regulatory relationships and for providing briefings to the relevant Board committees on risk and compliance matters.

Third Line of Defence (3LoD): The 3LoD (Internal Audit) provides an independent assurance and objective opinion to the Board on the adequacy and functioning of the system of internal control for the Bank. The Internal Audit function has a primary reporting line to the Chair of the BACC. The function is fully outsourced. In 2024 this service was provided by Grant Thornton.

Principal Risks and Uncertainties

Risk	Control and Mitigation Strategy
<p>Strategic and Business Risk</p> <p>Strategic risk is the risk resulting from incorrect assumptions about external or internal factors, inappropriate business plans, (e.g., too aggressive, wrong focus, ambiguous), ineffective business strategy execution, or failure to respond in a timely manner to changes in the regulatory, macroeconomic or competitive environments in the geographic locations in which we operate.</p> <p>Business risk is the potential loss (or inability to realise planned revenues) arising from the inability to properly implement strategic plans.</p>	<p>Structured strategy and achievable goals: FBUK’s Senior Management follows a clear and comprehensive strategy-setting process that brings together all key stakeholders to ensure alignment with the Bank’s business plan and goals.</p> <p>For 2026, the Senior Management team has prepared a Business Plan to ensure all underlying assumptions are both realistic and deliverable, in line with the capital, liquidity and expected expenses to ensure resources are directed toward delivering the intended outcomes.</p> <p>The Board has reviewed and approved this plan. As part of its development, the Bank carried out stress testing using both firm-specific and broader market scenarios to confirm that the capital position remains resilient throughout the planning horizon and is broadly consistent with the prior year’s risk profile.</p>
<p>Capital Risk</p> <p>Capital Risk is defined as the risk the Bank faces that it may lose capital value, or have insufficient capital in stress situations and, as a result, fail to meet regulatory Capital Adequacy Requirements. In addition, it also includes the capital is inefficiently deployed across the Bank.</p> <p>Risk Context for FBUK: FBUK maintains a strong capital position, comfortably meeting regulatory requirements and operating within the Board-approved risk appetite. However, FBUK will be aiming to increase its capital base to reflect the expected growth in the balance sheet.</p>	<ul style="list-style-type: none"> • FBUK undertakes an annual Internal Capital Adequacy Assessment Process (ICAAP) to determine whether its capital levels are sufficient to support the Bank’s risk profile and strategic objectives in both normal and stressed conditions. • Regular stress testing assesses the impact of severe but plausible economic and financial scenarios on capital strength. These exercises help ensure the Bank can remain resilient under adverse conditions. • FBUK maintains a forward-looking capital plan that considers business growth forecasts, regulatory developments, and evolving market conditions. These projections help ensure that capital resources remain adequate to meet future requirements and strategic aims. • The Capital Adequacy Ratio (CAR) and Leverage Ratio is tracked daily, discussed at ALCO and reported quarterly to the Board through the Board Risk Committee. Adjustments to capital strategy are made where asset-risk profiles change. • The Bank conducts periodic simulation exercises for capital and liquidity, i.e., “fire drills” to test the effectiveness of Recovery Plan arrangements and to ensure operational readiness should activation be required.

<p>Liquidity and Funding Risk</p> <p>Liquidity funding risk is the inability to meet expected or unexpected cash flow needs while continuing to support our business and customers under a range of economic conditions.</p> <p>Funding risk is the risk that the Bank cannot obtain funding when needed, or can do so only at an unacceptably high cost</p> <p>Risk Context for FBUK: To support the Bank’s growth the aim is to grow and diversify its funding sources.</p>	<ul style="list-style-type: none"> • The Board approved Liquidity Risk Policy is applied for all liquidity risk management activities. • ALCO reviews daily liquidity reports to ensure oversight and challenge. Where Risk Appetite Statement (RAS) limits are exceeded, or where emerging stress is anticipated, proposed actions are escalated to the BRC. • Through the Internal Liquidity Adequacy Assessment Process (ILAAP), the Bank evaluates severe yet plausible stress scenarios that could affect liquidity and identifies appropriate management and Board responses. • The Recovery Plan incorporates a documented Contingency Funding Plan (CFP). • The Bank conducts periodic simulation exercises for capital and liquidity, i.e., “fire drills” to test the effectiveness of Recovery Plan arrangements and to ensure operational readiness should activation be required. • A substantial portion of the Bank’s High-Quality Liquid Assets (HQLA) is held in highly liquid instruments, including US Treasury Bills and UK Gilts. • The Bank actively manages its maturity profile of assets and liabilities on a matched book basis wherever possible to reduce liquidity gaps.
<p>Credit Risk</p> <p>Credit risk is the risk of loss arising from the inability or failure of a borrower or counterparty to meet its obligations. It is created when the Bank commits to, or enters, an agreement with a borrower or counterparty (including off-balance sheet).</p> <p>Risk Context for FBUK: Credit risk continues to be FBUK’s most significant risk, particularly in the context of elevated market volatility. The Bank’s conservative credit approach has helped keep the overall residual risk profile broadly stable.</p>	<ul style="list-style-type: none"> • A comprehensive Credit Risk Policy and Procedures covering lending policies, underwriting standards, and defined recoveries and collections processes. • Policies are reviewed periodically and applied consistently across all business lines. • Three-tier approval structure across the Bank; larger exposures escalate to BCC as per Schedule of Delegated Limits Authority. • The Credit Risk team independently tracks exposures, limit utilisation, collateral quality and valuation, and ensures adherence to limits. • End-to-end monitoring of borrower performance over the life of the loan, including arrears management, proactive collections, and use of forbearance where appropriate • Portfolio performance is measured against FBUK’s Risk Appetite Statement; Credit RAS – Target Market Risk Acceptance Criteria and KRIs which are reported to CRECO and BCC. • Bank takes security and uses credit risk mitigation practises where possible • Netting and collateral agreements are employed to reduce exposure. • Strong legal documentation with covenants as appropriate. • For retail/individual borrowers, affordability and source-of-income/wealth assessments are performed. • Treasury placements and securities only with investment-grade counterparties • Additional capital buffers are maintained above Pillar 1 and Pillar 2 requirements.

<p>Market Risk</p> <p>Market Risk (for banking book) is the risk of financial loss because of adverse market movements of market variables such as foreign exchange rates, interest rates, equity prices and commodity prices, thereby affecting the value of assets or liabilities, or otherwise negatively impact earnings. Market risk at FBUK is composed of currency risk, fixed income securities pricing risk, duration risk and interest rate risk.</p> <p>Risk Context for FBUK: Despite ongoing elevated operational risk challenges, FBUK’s operational-risk profile has remained broadly consistent with prior years, supported by strong controls and continuous monitoring in highly manual processes.</p>	<ul style="list-style-type: none"> • Aligning the interest rate profiles of assets and liabilities to establish a natural hedge where possible. • Setting and operating within strict interest rate risk limits (i.e. IRRBB regulatory limits) —covering both potential gains and losses—in accordance with our defined risk appetite. • Actively managing when assets and liabilities are priced and repriced to control exposure to interest rate movements. • Continuously tracking market developments and making prompt portfolio and risk exposure adjustments in response to changing market conditions • The Bank maintains a set of market risk policies that undergo regular review and revision to ensure effective control of market related exposures. • In addition, the Bank’s ALCO convenes at least once a month to assess the asset and liability positions that generate market risk • ALCO monitors Market Risk KRI’s to implement corrective measures in accordance with the defined risk appetite or other established thresholds
<p>Operational Risk</p> <p>Operational Risk is the risk of loss because of inadequate or failed internal processes, people, systems, and/or external events across all areas, activities and operations of the Bank.</p> <p>Risk Context for FBUK:</p> <ul style="list-style-type: none"> • As customer expectations change and competition in the market increases there is an inherent risk that the Bank may not stay competitive if required upgrades to the core banking system do not take place 	<ul style="list-style-type: none"> • FBUK met the regulatory expectations under PRA SS1/21 by the March 2025 deadline, demonstrating its commitment to Operational resilience and safeguarding important business services. • In 2025, the Bank undertook a range of resilience activities, including penetration testing, cloud-testing exercises, and a full disaster-recovery test. IT, data, and cyber-security risks remain fully captured within the RAS. • Risk Management oversees operational risks through its annual Risk Monitoring and Assurance Plan (R-MAP), which sets out the defined scope of assurance work. • Operational risks are identified and monitored via the Risk and Control Self-Assessment (RCSA) process, with findings and incident reporting trends escalated to the MRC and, where appropriate, the BRC. • All departments are responsible for managing their operational risks, supported by embedded controls and clear lines of accountability. • Operational risks are assessed through the ICAAP process and continually reviewed against the Bank’s control environment to ensure they remain within FBUK’s operational-risk appetite. Early-warning indicators and monitoring tools support timely escalation and corrective action, and incidents undergo root-cause analysis to strengthen controls and prevent reoccurrence. • Internal controls are embedded in day-to-day operations through documented procedures, supervisory checks, training, and continuous monitoring. The Risk Management department conducts sample-testing of controls and provides guidance to ensure effectiveness, with high-risk issues escalated to the MRC and remedial action plans put in place. • Internal Audit provides independent assurance, assessing both operational processes and IT general controls.

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| | <ul style="list-style-type: none">• FBUK applies the Basic Indicator Approach under the CRR for calculating Pillar 1 operational-risk capital, and preparations are ongoing to comply with the Basel 3.1 operational-risk framework due to be implemented in January 2027. |
|--|--|

Section 172(1) statement

In fulfilling their duties under Section 172(1), the Directors have had regard to the likely long-term consequences of decisions, the interests of the Bank's employees, the need to foster strong relationships with regulators and other stakeholders, and the importance of maintaining a reputation for high standards of business conduct.

During the year, the Board considered several key strategic and operational decisions, particularly in relation to risk management, capital planning, and portfolio positioning in response to the evolving global and Nigerian economic environment. In doing so, the Directors assessed both the short- and long-term implications of these decisions on the Bank's financial resilience, profitability, and sustainability.

Engagement with employees remained a key focus area. Through Executive Directors regular one-to-one meetings, team discussions, and direct engagement, the Board gained insights into employee perspectives, which informed decisions relating to organisational structure, performance management, and workplace culture. This ongoing dialogue has supported the Bank's objective of maintaining a motivated and aligned workforce.

There is a significant emphasis on maintaining strong relationships with regulators and other key stakeholders. Regulatory expectations were carefully considered in decision-making, particularly in relation to capital adequacy, liquidity management, and compliance frameworks. These considerations directly influenced the Bank's risk appetite and strategic priorities.

In evaluating reputational risk, the Board reviewed risks associated with business activities, including product offerings and market conduct. Appropriate mitigating actions were implemented to ensure alignment with the Bank's values and to uphold its reputation for high standards of conduct. These actions are consistent with the Bank's Corporate Culture and Values.

The Directors also considered the broader economic environment. Scenario analysis and stress testing were used to assess potential impacts on the Bank's portfolios, capital position, and liquidity under a range of conditions. This informed decisions on risk mitigation strategies and future business planning.

As a result of these considerations, the Board is satisfied that its decisions during the year have been made with due regard to stakeholders and are aligned with the long-term success and sustainability of the Bank.

Approved by the Board of directors and signed on behalf of the Board.



Johnson Ememandu
Managing Director/Chief Executive
28 April 2026

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 31 December 2025.

Principal Activities

FBUK was incorporated in England and Wales on 10th February 2003 and became a fully owned subsidiary of Fidelity Bank Plc, Nigeria from 3 August 2023.

The Bank is authorised under the Financial Services and Markets Act 2000 (FSMA 2000), to carry on regulated financial services activities, including deposit-taking and dealing in investments as principal. The business of the Bank includes the provision of retail and commercial banking, treasury and trade finance services.

The Bank has established and maintains the management structure, policies, systems and procedures necessary to enable full compliance with the rules and regulations of the Financial Conduct Authority ('FCA') and the Prudential Regulation Authority ('PRA').

Directors

The directors of the Bank at the date of this report and those who served during the year ended 31 December 2025, are as follows:

Nneka Onyeali-Ikpe	Chair of the Board
Johnson Ememandu	Managing Director/Chief Executive (Appointed 24 October 2025)
David Forster	Managing Director/Chief Executive (resigned 11 April 2025)
Emeka Okonkwo	Non-executive Director
Caroline C Bault	Independent non-executive and Chair of the Remuneration and People Committee
Ndidi R Dimanochie	Executive Director
Mark V Jarvis	Independent non-executive and Chairman of the Audit and Compliance Committee
Mobola Faloye	Independent Non-executive Director and Chair of Risk Committee



Dr. Nneka Onyeali-Ikpe
Chair of the Board



Emeka Okonkwo
Non-Executive Director

DIRECTORS' REPORT



Ms Caroline C. Bault
*Independent non-executive
Director*



Mr Mark V. Jarvis
*Independent non-executive
Director*



Ms Mobola Faloye
*Independent non-executive
Director*



Mr Johnson O. Ememandu
Managing Director /Chief Executive



Mrs Ndidi Dimanochie
*Executive Director
Business Development and Operations*

Going Concern Basis of Preparation

The financial statements are prepared on a going concern basis.

The Board has considered formally whether it is appropriate to prepare the financial statements on a going concern basis and has concluded that the Bank has sufficient liquidity and capital to continue to trade for at least 12 months from the date of signing these accounts.

The Board are pleased that; the Bank continues to maintain Liquidity and capital ratios above the minimum regulatory requirements.

Financial Results

The Bank's financial statements are prepared in accordance with UK adopted international accounting standards. The functional currency of the Bank for financial reporting purposes is the US Dollar (US\$), being the currency in which the majority of its assets, liabilities, capital and revenues are denominated.

The financial statements for the year ended 31 December 2025 are shown on pages 34 to 69. The profit for the year before taxation amounted to US\$ 0.92m (2024: US\$ 2.15m loss).

The directors do not propose a dividend for the year ended 31 December 2025 (2024: US\$ nil).

Risk Management

The principal risks associated with the business of the Bank are highlighted in the Strategic Report

The Bank has established a comprehensive enterprise risk management framework to manage these risks, guided by the Basel Committee's principles for sound risk management and compliance with Basel III and FCA and PRA prudential regulations, including those in respect of liquidity risk. The Board establishes the risk governance structure and sets the overall risk appetite for both risks to the capital and the liquidity position of the Bank, together with key risk management policies, including limits relating to credit, market and liquidity risks. The framework provides for independent oversight of business units, risk identification, assessment and measurement, as well as stress testing of key risks and various other risk mitigations and monitoring techniques.

Developments in Financial Regulation

The Bank continues to monitor developments in relation to Basel III. In addition to traditional capital requirements, banks are required to build up Capital Requirements Directive IV ('CRDIV') buffers, Capital Conservation and Counter Cyclical Buffer ('CCyB').

The Bank of England's Financial Policy Committee ('FPC') raised the CCyB rate for UK exposures to 2.0% from 1% on 5 July 2023. This was still maintained at the end of 2025. As of March 2024, the Bank of England will no longer publish the rate, but reference should be made to Bank of International Settlement for applicable rate.

On 30 November 2022, the PRA published a Consultation Paper (CP16/22) proposing the implementation of the Proposed Rules reflecting the Basel 3.1 Standards. The primary objective of the Proposed Rules is to improve the reliability of capital ratios by making standardised approaches more risk-sensitive and addressing the limitations of Internal Models. The Proposed Rules are expected to improve both the measurement of risk and comparability across firms. The original implementation date was 1 January 2025, but it has been delayed to 1 January 2027.

The Bank has conducted a thorough review of its portfolio to understand the impact of Basel 3.1 on its Total Risk Exposure Amount (TREA). The increased capital requirements would be adequately covered by the Bank's Capital resources.

Future Developments

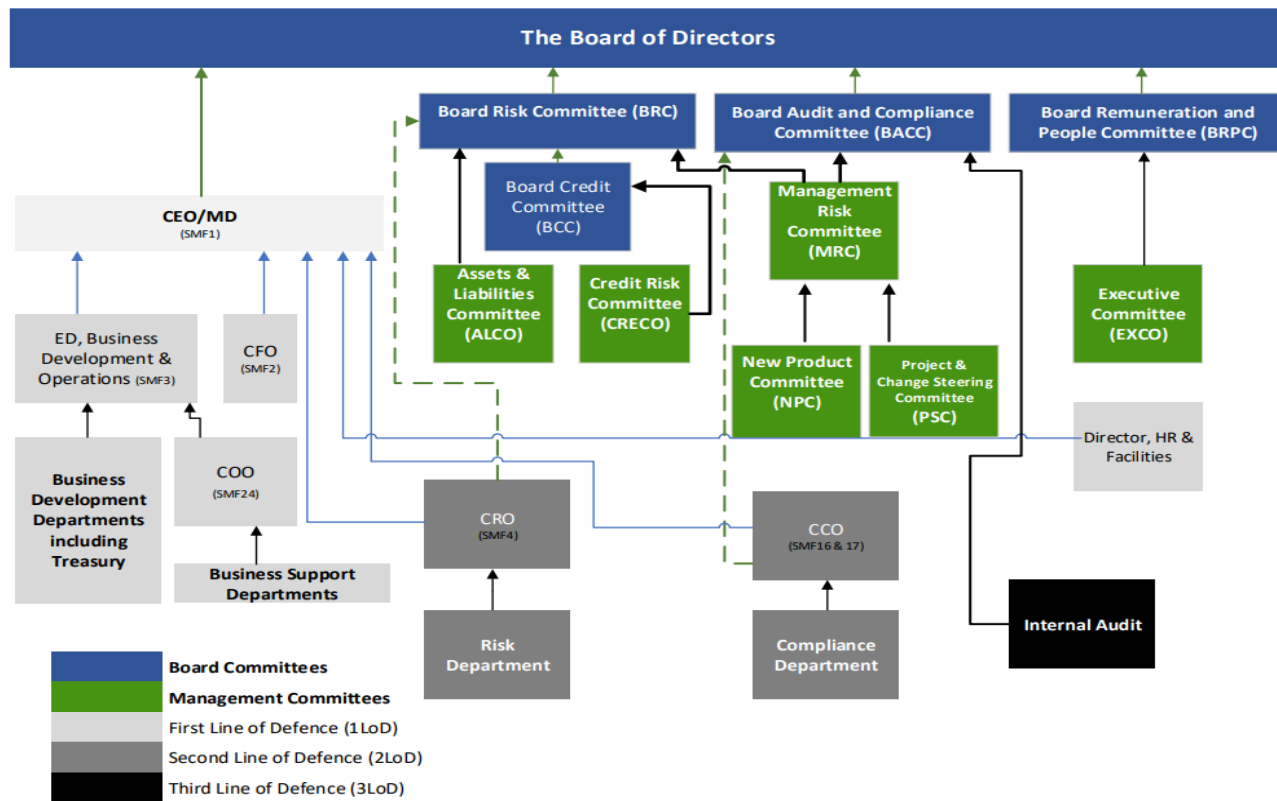
The Bank remains committed to serving its current customers and target market whilst part of the wider Fidelity Bank Plc group.

Corporate Culture & Values

FBUK has adopted the corporate values of Fidelity Bank Plc Nigeria. These corporate values are Customer First, Respect, Excellence, Shared Ambition, Tenacity ("CREST") and are the foundations of our dealings with our customers and other members of staff.

These values will be regularly reviewed by the Board and staff to ensure that we have a working culture that sustains our position as a highly respected provider of quality banking services. The Bank promotes compliance with the "spirit" as well as the "rule" of regulation, and that all risks should be fully identified, assessed and understood before they are incurred. The Bank operates a "Three Lines of Defence" business model, to promote effective and controlled risk taking.

Three Lines of Defence



Information Management

The Bank seeks to ensure that expenditure on IT and Communications remains appropriate to meet all regulatory and business needs. The Bank recognises the importance of safeguarding client data and has developed policies and physical and logical access controls which, coupled with staff awareness training, are designed to protect against data loss.

Directors' emoluments

The directors' remuneration has been disclosed in the note 12 of these financial statements.

Employee Matters

The Bank recognises that its performance is dependent on the quality of its work force and the investment it makes in training and development. It is the Bank's policy that its staff should have the opportunity to develop to their full potential, promote its business in a manner consistent with the highest standards and recognise its environmental and other responsibilities as a corporate citizen. Staff competencies, training and development are planned consistently with corporate objectives, including

the management of risk, and staff are appraised and rewarded accordingly. The Bank has introduced a flexible Hybrid Working Policy to support employees in achieving a sustainable work-life balance. Furthermore, a comprehensive Wellbeing Policy has been implemented, offering a broad range of initiatives and benefits designed to promote and safeguard the physical, mental, and emotional wellbeing of our staff.

People and Culture

At FidBank, we recognise that diversity and inclusion are fundamental to our long-term success. We are committed to fostering a workplace culture where individuals from all backgrounds feel valued, respected, and empowered to contribute to their fullest potential. By embracing diverse perspectives, experiences, and ideas, we not only strengthen collaboration and innovation but also enhance our ability to serve the varied needs of our stakeholders and communities. The Bank continues to promote equal opportunities, nurture talent, and ensure that inclusivity remains at the heart of our policies, practices, and decision-making.

Business relationships

FBUK continues to build on its strengths in international markets and maintain and leverage relationships with the Bank's, and Fidelity Bank Plc's, existing partners to improve product and service delivery.

Property and Equipment, Intangible Assets

Changes in property and equipment and intangible assets are set out in notes 21 and 22 to the financial statements.

Climate and energy considerations

Over the financial year to 31st December 2025 the Bank used **173.13 MWh of energy** (2024: 160.42 MWh). This represents the aggregate of (a) the annual quantity of energy consumed from activities for which the Bank is responsible; and (b) the annual quantity of energy consumed resulting from the purchase of electricity by the company for its own use.

With the help of the Bank's landlord all the energy purchased and consumed by the Bank during the year was provided by the Dark Green energy provider- Ecotricity. Ecotricity are Britain's greenest energy company. All of their electricity is certified green, 100% renewable and also certified vegan. Their gas is a mix of carbon-neutralised natural gas and sustainable green gas. The company have no shareholders, so, instead of paying dividends they invest all bill revenues in building new forms of green energy.

FBUK have contracted to use Normative for our emissions impact calculation. Normative deliver actionable sustainability intelligence to reduce companies' emissions and calculate 100% of our climate footprint — scope 1, 2 and 3 emissions, following the Greenhouse Gas Protocol (GHGP). For the year ended 2025 the Bank's emissions are:

Scope 1	0 tCO _{2e}	(2024: 0)
Scope 2	26.25 tCO _{2e}	(2024: 31.11)
Scope 3	332.39 tCO _{2e}	(2024: 337.77)

Electricity numbers were recalculated for 2024

Following the initial data provided last year, an issue was identified in the Scope 2 data and revised.

The total energy consumption for 2024 was 160.42 MWh, of which:

- 152.65 MWh relates to electricity in office rental spaces
- 7.77 MWh relates to natural gas for heating

Directors' Representation

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

Qualifying indemnity provisions

In accordance with Section 236 of the Companies Act 2006, the Bank has in place qualifying third-party indemnity provisions for the benefit of its directors. These provisions were in force throughout the financial year and remain in force as at the date of this report.

Political donations

The Bank made no political donations and incurred no political expenditure during the year ended 31 December 2025 (2024: nil).

Auditors

As a UK public interest entity, the Bank is required to tender our external audit every 10 years and rotate every 20 years. Following a rigorous tender process in 2023, The Board approved BDO's reappointment for the year ended 31 December 2025.

Subsequent events

The Director's confirm that there was no material event / development since the reporting date to be disclosed

DIRECTORS' REPORT

Endorsement

The Board of Directors wishes to extend its sincere gratitude to all stakeholders for their continued trust and support.

The Board also records its deep appreciation to the Executive Committee and all members of staff for their unwavering dedication, professionalism, and teamwork, which have been instrumental to the Bank's success during 2025.

By order of the Board on 28 April 2026



Johnson Ememandu
Managing Director/Chief Executive
1 King's Arms Yard
London, EC2R 7AF

DIRECTORS' RESPONSIBILITIES STATEMENT

Statement of Directors' Responsibilities in respect of the Strategic Report and Directors' Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. The Banks's financial statements are prepared in accordance with UK adopted international accounting standards.

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

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether they have been prepared in accordance with UK adopted international accounting standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

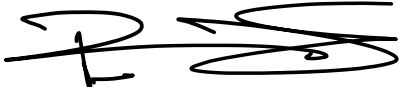
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

Website Publication

The Directors are responsible for ensuring the Directors' Report and financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board on 28 April 2026.



Johnson Ememandu
Managing Director/Chief Executive
1 King's Arms Yard
London, EC2R 7AF

CORPORATE GOVERNANCE

The Board of Directors of the Bank comprises two executive directors, two non-executive directors appointed by the shareholders, one of whom is the chairman of the Board, and three independent non-executive directors,

The Board meets at least quarterly and has defined responsibilities for the overall direction, supervision and control of the Bank, including assessment of the Bank's competitive position, approval of strategic and financial plans and review of performance and financial status. It reviews and approves significant changes in the Bank's structure and organisation and establishes the risk framework, overall risk appetite and key policies in relation to credit, large exposures, impairment, liquidity and operational risk. The Board also approves and monitors the Bank's policies, procedures and processes in connection with the fight against financial crime.

The Board has three standing committees: The Board Risk Committee ('BRC'), the Board Remuneration & People Committee ('BRPC') and the Board Audit & Compliance Committee ('BACC'). These standing committees are chaired by independent directors and have written terms of reference. The BRC meets as often as required but at least quarterly, the BACC and the BRPC meets quarterly. The primary function of the BRC is to consider credit proposals more than the limits of authority of the executive Assets & Liabilities and Credit Committees of the Bank, and to monitor compliance with the Bank's credit, large exposure, impairment, liquidity and market risk policies.

The BACC (Board Audit and Compliance Committee) comprises of all independent non- executive directors and one non-executive director and is chaired by a financially experienced individual. The MD/CEO, the Chief Financial Officer, the CRO, the Head of Compliance, a representative of the outsourced Internal Auditors and a representative of the external auditors shall attend meetings only at the invitation of the Committee. The primary functions of the BACC are to assist the Board in fulfilling its oversight responsibilities by monitoring and assessing the integrity of financial statements, the qualifications, independence and performance of external auditors, compliance with legal and regulatory requirements and the adequacy of systems of internal accounting and financial controls. Its assessment of the internal control environment is made by reviewing and approving the plans of Internal Audit and considering and questioning management on operational audit reports.

The BACC also approves the appointment of, and fees paid to, the external auditors for all audit and non-audit work. It is also responsible for the appointment of the outsourced Internal Auditor.

EXECUTIVE TEAM	
Johnson Ememandu	Managing Director/Chief Executive (Appointed 01 October 2025)
Ndidi Dimanochie	Executive Director – Head of Business & Operations
Janet A Ntuk	Director, Head of HR & Facilities
Oyedokun Faniran	Associate Director, Chief Finance Officer
Kajal Agnihotri	Associate Director, Chief Risk Officer
Tola Awosika	Associate Director, Chief Compliance Officer & MLRO
Steven Bennett	Associate Director, Chief Operating Officer
Farhood Hieydary	Associate Director, Treasurer
Martin Uzus	Associate Director, Business Development (FI)
Uka Nwaobi	Associate Director, Business Development (Corporate)
Ufuk Tulum	Associate Director, Information Technology

The BRPC (Board Remuneration & People Committee) has responsibility for considering matters related to human resource policy, including compensation arrangements. It reviews and recommends to the Board both overall compensation pools and the remuneration of executive directors and certain other members of senior management. It has responsibility also for certain matters relating to the working environment of staff and insurance arrangements.

UPDATE ON HUMAN RESOURCE

Human Resources plays a central role in supporting the Bank's strategy by ensuring the availability of skilled, engaged, and well-governed talent. During the year, the Bank's HR priorities focused on workforce stability, capability development, and strengthening a culture aligned with regulatory requirements and long-term business objectives. Through disciplined workforce planning, targeted development initiatives, and consistent people practices, HR continued to support operational effectiveness, risk management, and sustainable performance. Below are some of the key achievements delivered by HR over the past few years.

Diversity, equity, and inclusion

During the year, the Bank continued to promote a diverse and inclusive workplace that values equal opportunities, respect, and fairness. Diversity considerations were integrated into recruitment, development, and succession planning processes to ensure broad representation across roles and levels. As of year-end 2025, female staff represented 47% (2024: 52%) of the total workforce and 57% (2024: 57%) of management positions. The Bank supported inclusion through relevant policies, awareness initiatives, and leadership engagement, while fostering a work environment where employees feel respected, supported, and able to contribute effectively.



Workforce profile and stability

The Bank maintained a stable and committed workforce during the year. Voluntary and total attrition rates declined from **0.13% in 2024 to 0.11% in 2025**, reflecting strong employee engagement and satisfaction. The average tenure of staff has remained consistent at **7 years**, demonstrating continuity and experience across the organization. Critical roles have been largely stable during this period, with the only significant change being the retirement of the CEO in April 2025; no other critical role movements were recorded in the last two years, underscoring the Bank's effective staff engagement and workforce stability.

Risk, compliance, and conduct

During the year, the Bank continued to apply established frameworks for conduct, ethics, health & safety and regulatory compliance. Mandatory compliance training requirements for staff and Independent Non-Executive Directors were completed in full, with a 100% completion rate. No confirmed conduct, ethics or health & safety breaches were identified during the reporting period, and no whistleblowing cases were received. In addition, no disciplinary actions related to risk or compliance matters were recorded during the year, reflecting the ongoing application of the Bank's policies, controls, and oversight mechanisms.

Overall, the Bank's Human Resources outcomes during the year reflect a stable and well-governed workforce supported by consistent people practices and effective oversight. Improvements in retention, sustained employee tenure, strong compliance outcomes, and continued investment in capability development contributed to operational continuity and risk management. These outcomes position the Bank to support its strategic objectives while maintaining sound governance and regulatory alignment.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIDBANK UK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its profit and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements of Fidbank UK Limited ("the company") for the year ended 31 December 2025 which comprise of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Director's assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- We have obtained the forecasts prepared by the Directors and tested the arithmetic accuracy of these. We obtained an understanding of the underlying assumptions used to calculate these forecasts, such as the forecasted annual profits and forecasted credit losses;
- We performed a retrospective review of prior year forecasts by comparing to current year actuals, to assess the historical accuracy of the forecasts;
- We reviewed correspondence with the regulators and minutes of Board meetings, to ascertain whether there were other matters that may impact the Company's ability to continue as a going concern;
- We reviewed post year end information including management accounts and minutes of Board meetings up until the date of signing the financial statements in order to ascertain whether there were other matters that may impact the Company's ability to continue as a going concern; and
- We reviewed the adequacy and appropriateness of disclosures in the financial statements, regarding the going concern assessment.

INDEPENDENT AUDITOR'S REPORT

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 Company'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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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

Overview

Key audit matters	Expected Credit Loss Provision	2025 <input checked="" type="checkbox"/>	2024 <input checked="" type="checkbox"/>
	The Key audit matter continued to be in relation to the expected credit loss provision ('ECL') however the area that was most significant to the audit for the year ended 31 December 2025 due to the growth in the corporate loan book was staging determination for the corporate loan portfolio.		
Materiality	Financial statements as a whole \$759k (2024: \$747k) based on 1.35% (2024: 1.35%) of Net Assets (2024: Net Assets).		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, the applicable financial reporting framework and the Company's system of internal control. We identified and assessed the risks of material misstatement of the Company's financial statements. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the Company's financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the Company's risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

How Climate change affected the scope of our audit

The Company has determined that climate change does not currently have a material impact on its operations.

Our work on the assessment of potential impacts of climate-related risks on the Company's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Review of the minutes of Board and Audit Committee meeting and other papers related to climate change and performed a risk assessment as to how the impact of the Company's commitment as set out in page 12 may affect the financial statements and our audit.

We challenged the extent to which the Company's commitment including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment.

INDEPENDENT AUDITOR'S REPORT

The management disclosures on pages page 12 and 22 form part of the strategic report or and directors report. Our responsibilities in relation to these disclosures are described in the relevant section of this report and our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained from the audit or otherwise appear to be materially misstated.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, 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.

Key audit matter		How the scope of our audit responded to the risk
<p>Expected Credit Loss (ECL)</p> <p>The Company's accounting policies related to ECL provision is detailed on Note 3(e) with detail about judgements in applying accounting policies and critical accounting estimates on note 2(e).</p> <p>The Company holds \$577k of ECL provisions at year-end (2024: \$780k). Refer to Note 20 for ECL provision.</p>	<p>The Company accounts for the impairment of loans and advances using an expected credit loss ("ECL") model under IFRS 9 Financial Instruments.</p> <p>The key area where we have identified greater levels of judgement and therefore increased levels of audit focus in the estimation of ECL is the Significant increase in credit risk (SICR)</p> <p>The assessment of ECL for commercial loans and advance exposures involves higher level of judgement typically relying on qualitative early-warning indicators (such as borrower financial performance, business model viability, and sector-specific pressures) that require significant management interpretation when determining whether SICR has occurred.</p> <p>Accordingly, we identified a significant audit risk in the appropriateness of SICR assessments for the commercial loans and advances.</p>	<p>Our key procedures on the key audit matter included:</p> <p>Obtained an understanding of the commercial credit-risk framework, including the process for determining Probability of Default ("PDs"), early-warning indicators, staging governance and credit monitoring processes.</p> <p>Evaluated the design and implementation of controls over staging decisions.</p> <p>Reperformed staging assessments using credit file reviews on a targeted sample of commercial loans, including a review of borrower financial information, arrears history, sector developments, and other relevant credit indicators.</p> <p>Performed sensitivity analysis to consider the impact of alternative assumptions on SICR outcomes and ECL estimates.</p> <p>Reviewed post year-end credit-performance indicators to identify any conditions that may have been indicative of credit deterioration at year-end.</p> <p>Key observations:</p> <p>Based on our audit work performed, the appropriateness of the SICR assessments is considered to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2025 \$'000	2024 \$'000
Materiality	759	747
Basis for determining materiality	1.35% (2024: 1.35%) Net Assets	
Rationale for the benchmark applied	We have considered the primary stakeholders of the financial statements to be customers of the Company, Fidelity Bank Plc ("Parent Company"), and the UK regulators (FCA and PRA). We have considered that Net Assets is the most appropriate benchmark on which to base our assessment of materiality as it is the most relevant financial indicator used by the stakeholders to assess the performance of the Company and its compliance with appropriate regulatory requirements.	
Performance materiality	569	560
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	On the basis of our risk assessment together with our assessment of the overall control environment and expected total value of known and likely misstatements, based on past experience, our judgement was that overall performance materiality for the company should be 75%	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of \$38K (2024: \$37k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to

INDEPENDENT AUDITOR'S REPORT

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.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none">• 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. <p>In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.</p>
Matters on which we are required to report by exception	<p>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:</p> <ul style="list-style-type: none">• adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or• the Company 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.

Opinion on other matter prescribed by the Capital Requirements (Country-by-Country Reporting) Regulations 2013

In our opinion the information given on page 69 for the financial year ended 31 December 2025 has been properly prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Company'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 Company 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.

INDEPENDENT AUDITOR'S REPORT

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations

We considered the significant laws and regulations to be UK adopted international accounting standards and the Companies Act 2006.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be compliance with Companies Act 2006 and UK adopted international accounting standards. We also considered the company's compliance with the licence conditions and supervisory requirements of the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA), and relevant tax legislation. We have engaged our tax specialists in this regard.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred;
- enquiring of management regarding their controls and processes in place to ensure compliance with respective laws and regulations;
- enquiring of management and those charged with governance regarding any known or suspected non-compliance with laws and regulations and instances of fraud.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team and our forensic specialists as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, the potential for fraud to arise due to improper revenue recognition and management bias in the application of IFRS 9 staging criteria, specifically through inappropriate SICR assessment and misclassification of corporate loan exposures.

INDEPENDENT AUDITOR'S REPORT

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias.
- Substantive procedures over revenue recognition.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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


We were appointed by the Board of Directors in August 2014 to audit the financial statements for the period ended 31 December 2014.

Our total uninterrupted period of engagement is 12 years, covering the periods ended 31 December 2014 to 31 December 2025.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company'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 Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

E5E877734A9447F...

Timothy Lawrence (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
28 April 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

		Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
Interest income	Note 5	19,846	14,679
Interest expense	6	(8,133)	(4,847)
Net interest income		11,713	9,832
Fees and commission income	7	2,475	2,028
Dealing and exchange gains	8	2,254	275
Total income		16,442	12,135
Administrative expenses	10	(14,688)	(12,750)
Depreciation and amortisation	21/22 /33	(544)	(537)
Impairment reversal/(charge)	20	203	(640)
Other operating expense	9	(493)	(359)
			5)
Profit/(Loss) before tax		920	(2,151)
Tax charge	14	-	-
Profit/(Loss) for the year after tax		920	(2,151)
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Unrealised, net change in fair value of financial assets measured at FVOCI		(10)	25
Other comprehensive loss/income for the year		(10)	25
Total comprehensive loss/income for the year		910	(2,126)

The result is derived entirely from continuing activities.

The notes on pages 38 to 69 form part of these financial statements

STATEMENT OF FINANCIAL POSITION

As on 31 December 2025

		2025 US\$'000	2024 US\$'000
Assets			
Cash and cash equivalents	16	121,756	99,914
Short-term investments	16	11,074	-
Loans and advances to banks	18	123,763	65,801
Loans and advances to customers	19	146,830	55,165
Derivative Financial Assets	34	423	-
Financial assets measured at FVOCI	17	33,826	47,544
Financial assets valued at Amortised Cost	17a	8,103	-
Property and equipment	21	38	59
Intangible assets	22	616	366
Right-of-use-assets	33b	919	1,300
Other assets	23	1,708	1,226
Prepayments		1,066	945
Total Assets		450,122	272,320
Liabilities			
Deposits by banks	24	194,123	106,195
Customer accounts	25	197,185	107,700
Derivative Financial Liabilities	34	138	-
Lease liabilities	33	1,238	1,605
Other liabilities	26	1,008	988
Accruals and deferred income	27	149	461
Total Liabilities		393,841	216,949
Equity			
Called up share capital	28	85,090	85,090
FVOCI reserve		11	22
Retained losses		(28,820)	(29,741)
Equity		56,281	55,371
Total Liabilities and Equity		450,122	272,320

The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2026. Signed on behalf of the Board of directors:



Johnson Ememandu

Managing Director/Chief Executive

28 April 2026

The notes on pages 38 to 69 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share Capital US\$'000	FVOCI Reserves US\$'000	Retained Losses US\$'000	Total Equity US\$'000
Balance as on 1 January 2025	85,090	22	(29,740)	55,372
Share Capital Issued				
Total comprehensive loss for the year				
Change in fair value of assets measured at FVOCI	-	(11)		(11)
Profit for the year	-		920	920
Balance attributable to equity shareholders as at 31 December 2025	85,090	11	(28,820)	56,281
Balance as on 1 January 2024	85,090	(3)	(27,590)	57,497
Share Capital issued				
Loss for the year			(2,151)	(2,151)
Change in financial assets measured at FVOCI	-	25		25
Balance attributable to equity shareholders as at 31 December 2024	85,090	22	(29,741)	55,371

The notes on pages 38 to 69 form part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
Profit/Loss before tax		920	(2,151)
<i>Adjustments for:</i>			
Depreciation and amortisation		164	156
Amortisation of rights of use assets	33	380	381
Adjustment to right of use asset - Rent Increase		-	(8)
Amortisation of discounts received/premiums paid		(2,245)	(2,080)
Loss on disposal of tangible/intangible assets		-	-
Net exchange differences		(335)	150
Interest on finance lease liability		121	192
Profit on sale of Amortised cost bonds		(1,502)	-
Impairment of loans and advances		71	445
		(2,426)	(2,915)
Change in loans and advances to banks		(57,963)	(46,794)
Change in loans and advances to customers		(91,665)	(46,779)
Change in Short-term investments		(11,074)	-
Change in other assets		(481)	(287)
Change in prepayments		(121)	(227)
Change in deposits by banks		87,927	27,557
Change in customer accounts		89,485	57,086
Change in derivatives		(285)	-
Change in other liabilities		20	271
Change in accruals and deferred income		(312)	318
Cash used from operations		13,105	(11,770)
Acquisition of financial assets		(117,331)	(72,386)
Disposal of financial assets		126,614	68,941
Net cash used from operating activities		22,388	(15,215)
Acquisition of tangible and intangible assets		(394)	(61)
Net cash flow used in investing activities		(394)	(61)
Increase in share capital		-	-
Leasehold property repayments		(606)	(564)
Net cash generated (used in)/from financing activities		(606)	(564)
Net (decrease)/increase in cash and equivalents		21,388	(15,840)
Cash and cash equivalents (including bank placements) at 31 December 2024		99,914	115,901
Exchange difference in respect of cash and cash equivalents		454	(147)
Cash and cash equivalents (including bank placements) at 31 December 2025	16	121,756	99,914

NOTES TO THE FINANCIAL STATEMENTS



1. Reporting entity

FidBank UK Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the Company's registered office is given on page 4. Information concerning the principal activities and operations of the Bank is set out in the Directors' Report and in the notes to the financial statements.

2. Basis of presentation

a. Statement of compliance

The Bank's financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS), as required under the Companies Act 2006.

b. Going concern basis of preparation

The financial statements have been prepared on a going concern basis. The Board has formally considered whether this basis remains appropriate and has concluded that the Bank has sufficient liquidity and capital to continue operating for at least 12 months from the date these accounts are signed. The Board regularly undertakes forward planning to ensure the Bank continues to meet its liquidity and capital targets in line with the corporate strategy and annual plan. Liquidity and capital requirements are also assessed in more detail through the capital and liquidity adequacy assessments, which include stress testing under severe but plausible scenarios.

The Bank's strategic plan, which is reviewed annually and approved by the Board, is currently being implemented and has demonstrated its ability to deliver the viability and sustainability expected by the Board. No material uncertainties have been identified that would cast significant doubt on the Bank's ability to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date the financial statements are approved by the Board.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments as required under IFRS which are as follow.

d. Functional and presentation currency

The directors are of the opinion that the functional currency of the Bank is the US Dollar (US\$), being the currency in which most of the assets, liabilities and revenues are denominated. Therefore, these financial statements are expressed in US\$ and all financial information is presented in US\$, rounded to the nearest thousand.

e. Use of estimates and judgements

The Bank makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

f. IFRS 9 - Financial instruments

The Bank uses IFRS 9 Financial Instruments (IFRS 9) guidance on the 'classification and measurement' of financial instruments, including the expected loss model for calculating 'impairment' on financial assets. The key components of IFRS 9 which are applicable to the Bank and its financial instruments are: 'classification and measurement' and 'impairment'. The Bank's interpretation of these requirements is detailed below in addition to how they have been implemented and continue to be monitored.

g. Classification and measurement

Classification of financial assets depends on the bank's business model for managing those assets and their contractual cash flow characteristics. In accordance with IFRS 9 financial assets are classified into the following categories:

- (i) **Amortised cost (Hold to collect):** The objective of the 'hold to collect' (HTC) business model is to collect their contractual cash flows, rather than to sell the assets. However, there is no requirement that financial assets are always

NOTES TO THE FINANCIAL STATEMENTS

held until their maturity. Financial assets that meet a 'Solely Payments of Principal and Interest' (SPPI) test and are held within hold to collect business models will be classified at amortised cost.

- (ii) **Fair value through other comprehensive income (Hold to collect and sell):** The objective of the 'hold to collect and sell' business model is achieved by both collecting contractual cash flow and selling financial assets. As such, sales are integral to this business model and are expected to occur with greater frequency and volume compared to the hold to collect model. Only financial assets that meet the SPPI test and are held in a 'hold to collect and sell' business models are classified at fair value through other comprehensive income (FVOCI').

The assets are initially recognised at fair value and subsequently remeasured at fair value with changes recognised in other comprehensive income ('OCI') Upon disposal the cumulative gains or losses previously recognised in OCI will be reclassified to the income statement. At the year end, the Bank's financial assets classified at FVOCI comprises assets as disclosed in note 17.

- (iii) **Fair value through profit and loss (Trading/ Hold to sell):** Financial assets that do not meet the criteria for classification at amortised cost or at FVOCI are classified at fair value through profit or loss (FVTPL). This includes financial assets held for trading or those managed on a fair value basis.

These assets are initially recognised at fair value, with transaction costs expensed as incurred and are subsequently remeasured at fair value. All gains and losses arising from changes in fair value are recognised in profit or loss and presented in the income statement as dealing and exchange gains.

At the reporting date, the Bank does not hold financial assets classified as held for trading.

Impairment

Under IFRS 9 loan loss provisions are calculated on an expected credit loss ('ECL') basis. The ECL model incorporates a forward-looking view, so when a financial asset is initially recognised, an impairment loss allowance is calculated for the expected losses from defaults over the following 12 months. If the Bank then determines that there has been a significant increase in the credit risk of an asset, this impairment loss is increased to cover the expected losses over the whole life of the asset. In addition to impairment losses being required against financial assets, ECLs are also required against the value of certain off-balance sheet commitments where contracts have been entered in to on behalf of customers, but an asset has yet to be recognised on the Statement of Financial Position.

The Bank considers that one or more of the following factors contributes to a significant increase in credit risk:

- Financial difficulty
- A breach of contract, such as a default or past due event
- Concessions granted
- Bankruptcy or another financial reorganisation
- Disappearance of active market
- Based in a market with significant increase in macroeconomic issues
- A fall in credit rating, whether externally or internally assessed

The computation of credit losses under IFRS 9 involves estimation of probabilities of default ('PD'), loss given default ('LGD'), a range of unbiased future economic scenarios, estimation of exposure at default and assessing where there have been instances of increases in credit risk.

Default

The Bank considers a default to have occurred when either or both of the following two events have taken place:

- i) The Bank considers that the obligor is unlikely to pay its credit obligations in full, without recourse by the Bank to actions such as realising security (if held)
- ii) The counterparty is past due more than 90 days on any material credit obligation to the Bank.

The definition of default has been selected to reflect a level of credit deterioration that is consistent with internal credit risk management and the identification of credit-impaired financial assets under IFRS 9. The definition incorporates both quantitative and qualitative indicators to ensure that default risk is presented faithfully.

NOTES TO THE FINANCIAL STATEMENTS

The Bank currently estimates the 12-month and lifetime PD, LGD and exposure at default ('EAD') for each loan to estimate the ECL for its portfolio. This modelling approach forecasts PDs for the remaining contractual maturity by taking into consideration how borrower-specific and macroeconomic conditions influence their estimation. Estimates are also generated for LGDs and EADs based on the nature of the collateral held and the credit exposures as well as incorporating credit risk mitigation activities that the Bank undertakes in its management of credit risk. The Bank has performed an assessment of the key drivers of risk in its credit exposures and is modelling multiple-economic scenarios for these.

The Bank sources external data projections to use as inputs into these computations. Most significantly, these include global and emerging markets GDP forecasts and UK Consumer Price Index forecasts (only used in calculating the ECL for mortgages, the Bank's portfolio of which is wholly UK based). The Bank uses IMF projections for GDP as the Bank expects that the IMF's global remit and expertise meant that their emerging market, and African, projections should hold more weight than agencies that might focus more on the developed world.

To ensure an unbiased calculation, the Bank considers a range of forward-looking economic scenarios when calculating the Expected Credit Loss.

	2025	2024
Better	20%	20%
Base	50%	50%
Worse	30%	30%

The Bank has used the general approach that categorises each loan into a '3 Stage' impairment model.

- For credit exposures where there have not been significant increases in credit risk since initial recognition, a 12-month ECL is provided for (Stage 1).
- For credit exposures where there have been significant increases in credit risk, lifetime ECLs are provided for (Stages 2). The Bank assesses significant increases in credit risk using relative quantitative, qualitative and day past due (DPD) measures that are commensurate with the nature of the credit exposures at their inception and on an on-going basis.
- Any exposure that meets the above definition of Default are placed into Stage 3. This objective evidence of impairment will result in a provision of EAD multiplied by LGD as the lifetime ECL.

As an appropriate backstop measure, under-performing that are 30 days past due will be moved to Stage 2 ('under-performing'). Once exposures become 90 days past due, this backstop will be used in conjunction with other qualitative criteria to determine that they are non-performing and placed into Stage 3 ('non-performing'). This objective evidence of impairment will result in a provision of EAD multiplied by LGD as the lifetime ECL.

In some circumstances, as part of the Bank's recovery process for non-performing assets, the Bank will agree to exercise "forbearance", agreeing to accept later payment of principal and interest ("re-scheduling"), or to fully restructure a loan obligation. In these circumstances, particularly where repayments are heavily postponed or "back ended", loans that were under-performing (IFRS 9 Stage 2) or non-performing (IFRS 9 Stage3) might be considered, following re-structure, to be performing again, after going through a "cure" period, and after the borrower demonstrates a sustained repayment behaviour over a period of time.

It is the policy of FBUK, in accordance with the principles of IFRS 9 that where forbearance is exercised, there should be at least a 12 month "cure period" before any impairment allowance, generated by the previous default or arrears, is removed. During this period the customer needs to demonstrate that all new repayments are being met in full.

Loans and Advances are written off after they are classified as 'lost', that is, the asset is irrecoverable, or it is no longer considered economically viable to try and recover it or it is deemed immaterial, or full and final settlement is reached, including loan collateral that has been realised, and a shortfall remains. In the event of write off, the loan balance is removed from the statement of financial position and the impairment allowance held against this loan is released.

NOTES TO THE FINANCIAL STATEMENTS

Impairment measured disclosures 2025

	Performing US\$'000 (Stage 1)	Under- Performing US\$'000 (Stage 2)	Non- Performing US\$'000 (Stage 3)	Total US\$'000
Opening loss allowance at 1 January 2025 (under IFRS 9)	442	287	51	780
<i>Financial assets transferred:</i>				
From Stage 1 to Stage 2	(4)	4	-	-
From Stage 2 to Stage 3	-	-	-	-
From Stage 1 to Stage 3	-	-	-	-
From Stage 3 to Stage 2	-	7	(7)	-
From Stage 2 to Stage 1	-	-	-	-
Loans repaid	(259)	(287)	(20)	(566)
Decrease in ECL losses	(85)	-	(24)	(109)
New financial assets originated	457	6	9	472
Closing loss allowance at 31 December 2025	551	17	9	577
<i>Comprised of:</i>				
Loans and cash deposits with banks	120	-	-	120
Loans and advances to customers	302	17	9	327
Financial assets measured at FVOCI	5	-	-	5
Financial assets measured at Amortised Cost	70	-	-	70
Off balance sheet	54	-	-	54
Total by stage and asset class	551	17	9	577

The decrease in the loss allowance for 2025 is primarily due to the maturities of stage 2 assets from prior year and the reduction of Stage 3 accounts during the year. Overall, loans and advances to customers and banks increased, with loans being secured by bank guarantees, cash collateral, or property.

The tables on pages 42 to 43 shows the movement in loans and cash deposits with banks, loans and advances to customers, and financial assets measured at FVOCI and amortised cost. It is noted that the short-term nature of the Bank's loan book which are highly collateralised and carry minimal ECL means that the loss allowance at the start of the year is largely reduced throughout the year as loans are repaid.

Impairment measured disclosures 2024

	Performing US\$'000 (Stage 1)	Under- Performing US\$'000 (Stage 2)	Non- Performing US\$'000 (Stage 3)	Total US\$'000
Opening loss allowance at 1 January 2024 (under IFRS 9)	119	21	-	140
<i>Financial assets transferred:</i>				
From Stage 1 to Stage 2	-	-	-	-
From Stage 2 to Stage 3	-	-	-	-
From Stage 1 to Stage 3	(8)	-	8	-
From Stage 3 to Stage 2	-	-	-	-
From Stage 2 to Stage 1	1	(1)	-	-
Loans repaid	(116)	(20)	-	(136)
Decrease in ECL losses	11	-	-	11
New financial assets originated	435	287	43	765
Closing loss allowance at 31 December 2024	442	287	51	780
<i>Comprised of:</i>				
Loans and cash deposits with banks	72	286	-	358
Loans and advances to customers	183	1	51	234
Financial assets measured at FVOCI	5	-	-	5
Trade related contingencies	182	-	-	182
Total by stage and asset class	442	287	51	780

NOTES TO THE FINANCIAL STATEMENTS

Breakdown of financial assets

	Performing US\$'000 (Stage 1)	Under- Performing US\$'000 (Stage 2)	Non-Performing US\$'000 (Stage 3)	Total US\$'000
Opening Gross Exposures at 1 January 2025 (under IFRS 9)	287,798	10,801	664	299,263
<i>Financial assets transferred:</i>				
From Stage 1 to Stage 2	(5,725)	5,725	-	-
From Stage 2 to Stage 3	-	-	-	-
From Stage 1 to Stage 3	-	-	-	-
From Stage 3 to Stage 2	-	524	(524)	-
From Stage 2 to Stage 1	-	-	-	-
Loans repaid	(248,389)	(10,801)	(168)	(259,358)
Increase / (decrease) in ECL	(1,016)	-	28	(988)
New financial assets originated	445,606	4,103	177	449,886
Closing Gross Exposures at 31 December 2025	478,274	10,352	177	488,803
<i>Comprised of:</i>				
Loans and cash deposits with banks	256,714	-	-	256,714
Loans and advances to customers	136,931	10,049	177	147,157
Financial assets measured at FVOCI	33,832	-	-	33,832
Financial assets measured at Amortised Cost	8,172	-	-	8,172
Off Balance sheet	42,625	303	-	42,928
Total by stage and asset class	478,274	10,352	177	488,803

Breakdown of financial assets continued

	Performing US\$'000 (Stage 1)	Under- performing US\$'000 (Stage 2)	Non-Performing US\$'000 (Stage 3)	Total US\$'000
Opening Gross Exposures at 1 January 2024 (under IFRS 9)	184,600	13,140	-	197,740
<i>Financial assets transferred:</i>				
From Stage 1 to Stage 2	-	-	-	-
From Stage 2 to Stage 3	-	-	-	-
From Stage 1 to Stage 3	(194)	-	194	-
From Stage 3 to Stage 2	-	-	-	-
From Stage 2 to Stage 1	294	(294)	-	-
Loans repaid	(175,038)	(12,818)	-	(187,856)
Increase / (decrease) in ECL	1,062	(16)	(38)	1,008
New financial assets originated	277,074	10,789	508	288,371
Closing Gross Exposures at 31 December 2024	287,798	10,801	664	299,263
<i>Comprised of:</i>				
Loans and cash deposits with banks	155,996	10,077	-	166,073
Loans and advances to customers	54,012	724	664	55,400
Financial assets measured at FVOCI	47,549	-	-	47,549
Off Balance sheet	30,241	-	-	30,241
Total by stage and asset class	287,798	10,801	664	299,263

As at 31 December 2025, impairment allowance totalled \$0.58m (2024: \$0.78m). The net impairment movement (i.e. after recoveries) for loans and advances to customers recognised in 2025 was a credit of \$0.2m (2024: \$0.64m charge).

NOTES TO THE FINANCIAL STATEMENTS

The gross carrying amount of financial instruments, and thus the maximum exposure to loss is as follows:

	Financial Assets 2025 US\$'000	Financial Assets 2024 US\$'000
Performing (stage 1)	435,649	257,557
Under-performing (stage 2)	10,049	10,801
Non-performing (stage 3)	177	664
Total gross financial assets	445,875	269,022
Less: Loan loss allowance	(523)	(598)
Less: Off Balance Sheet allowance	(54)	(182)
Financial assets net of ECL	445,298	268,242

3. Summary of significant accounting policies

a) Interest income and expense

Interest income on financial assets that are classified at amortised cost or fair value through other comprehensive income and interest expense on financial liabilities are recognised in profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts and payments through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the gross balance on stage 1 and stage 2 assets.

The calculation of the effective interest rate includes all fees, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest on impaired financial assets is calculated by applying the original effective interest rate of the financial asset to the carrying amount as reduced by any allowance for impairment.

Interest income and expense presented in the profit and loss include interest on financial assets and liabilities held at amortised cost on an effective interest rate basis.

b) Fees and commission

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

- Letters of credit fees consist of commissions in relation to letters of credit transactions and associated commitment and cross border fess. These fees are accounted for at the time of the transaction.
- Fund transfer fees are in relation to payment charges to customers. These fees are accounted for at the time of the transaction.
- Customer account charges consist of debit card fees and customer services charges which are accounted for when the associated services are rendered. Also, mortgage and structured finance fees which are spread and accounted for over the period of the loan.
- Other fees are in relation to an externally held rent deposit which is accounted for on the receipt of an external statement from the deposit holder.

c) Foreign currency

A foreign currency transaction is recorded in the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting period, foreign currency monetary items are translated using the closing rate and resulting gains and losses on translation are included in the profit or loss. Exchange gains on foreign exchange transactions with customers are recorded as income during the period.

d) Equity and other financial liabilities

The Bank classifies financial instruments that it issues as an equity instrument or financial liability in accordance with the substance of the contractual terms of the instrument. An instrument is classified as equity if it evidences a residual interest in the assets of the Bank after deduction of liabilities. An instrument is classified as a liability if it represents a contractual obligation to deliver cash, or another financial asset or to exchange financial assets or financial liabilities on potentially unfavourable terms. Other financial liabilities, not classified as fair value through profit and loss, are initially recognised at fair value, including directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest rate method. Deposits and customer accounts are classified as liabilities. Customer accounts with no activity for two years are moved to dormant account status and are then held within other liabilities. Letters of credit are given as security to guarantee that a customer performs on obligations to third parties. As the Bank will only be required to recognise the exposure of these obligations in the event of the Customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts. However, the bank assesses letter of credit according to IFRS9 principles and makes provisions accordingly.

e) Impairment of financial assets

The Bank assesses impairment of financial assets on a forward-looking basis; the expected credit losses ('ECL') associated with its financial assets carried at amortised cost, FVOCI and other off-balance sheet commitments are recognised in profit or loss as they occur.

The ECL model incorporates a forward-looking view, so when a financial asset is initially recognised, an impairment loss allowance is calculated for the expected losses from defaults over the following 12 months. If the Bank then determines that there has been a significant increase in the credit risk of an asset, this impairment loss is increased to cover the expected losses over the whole life of the asset. In addition to impairment losses being required against financial assets, ECLs are also required against the value of certain off-balance sheet commitments where contracts have been entered in to on behalf of customers, but an asset has yet to be recognised on the Statement of Financial Position.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss. However, where the event causes an increase, the resulting expense is recognised through profit or loss

f) Property and equipment

Recognition and measurement

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

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold improvements	-	Remaining life of lease
Office equipment and furniture	-	5 years
Computer hardware	-	3 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

g) Intangible assets - software

Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses. All costs have been capitalised in accordance with IAS 38.

NOTES TO THE FINANCIAL STATEMENTS

Amortisation is recognised in profit or loss (within 'Depreciation and amortisation') on a straight-line basis over the estimated useful life of the software, which is assessed annually, from the date that it is available for use. The estimated useful life of software is three to five years.

h) Impairment of non-financial assets

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

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

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

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. Where such indications exist, the Bank estimates the recoverable amount of the asset. An impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount, resulting in an increase in the recoverable amount above the asset's carrying amount. The reversal is recognised only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised in prior periods.

i) Right of use lease assets and liabilities

The Bank recognises interest on its lease liabilities and amortisation on its right-of-use assets. The Bank has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

Payments made under operating leases out of scope from IFRS 16 are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The lease liability initially measured at a rate that discounts the remaining lease payments to the present value, using the Bank's incremental borrowing rate, being the rate that the Bank would have to pay to borrow funds over a similar term and with similar security under comparable economic conditions.

The right-of-use asset is initially measured at an amount equal to the lease liability, adjusted for any prepaid or accrued lease payments.

j) Income tax

Income tax comprises current tax and deferred tax. Income tax is recognised in profit or loss except to the extent where underlying items are recognised directly through other comprehensive income or equity.

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the Bank intends to settle on a net basis and the legal right to offset exists.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the amounts attributed to such assets and liabilities for tax purposes. 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 future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

k) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are deemed to comprise cash in hand, cash at other banks repayable on demand.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

l) Pension costs

The Bank operates a defined contribution pension scheme and the amount charged to profit or loss in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as accruals or prepayments in the statement of financial position.

4. Analysis of income by business activities

The Bank's income is generated from two principal business activities, based on the nature of its exposures and portfolio characteristics. All activities are conducted from the Bank's office in the United Kingdom.

- Treasury activities:
These include investments in securities measured at fair value through other comprehensive income (FVOCI), securities measured at amortised cost, high quality liquid assets (HQLA), placements and Nostro balances.
- Loans and advances:
These include exposures to corporates, sovereigns, financial institutions and retail customers.

5. Interest income

	2025 US\$'000	2024 US\$'000
Interest income on securities measured at FVOCI	1,709	2,080
Interest income on securities at amortised cost	1,314	-
Income from investment securities	3,023	2,080
Interest income on loans and advances to banks	5,741	4,700
Interest income on loans and advances to customers	7,058	3,767
Interest income on bank placements	4,024	4,132
Interest income at amortised cost	16,823	12,599
Total effective interest income	19,846	14,679

6. Interest expense

	2025 US\$'000	2024 US\$'000
Interest expense on deposits from banks	(4,078)	(2,888)
Interest expense on customer accounts	(3,936)	(1,767)
Interest expense on lease liability	(119)	(192)
Total effective interest expenses	(8,133)	(4,847)

7. Fees and commission income

	2025 US\$'000	2024 US\$'000
Letters of credit	1,371	1,542
Funds transfer	506	193
Customer account charges	427	193
Others	171	100
	2,475	2,028

NOTES TO THE FINANCIAL STATEMENTS

Timing of Revenue recognition-2025

	Letters of credit US\$'000	Funds transfer US\$'000	Customer Account US\$'000	Others US\$'000	Total US\$'000
Recognised at point in time	1,194	506	105	171	1,975
Recognised over time	177	-	323	-	500
Total	1,371	506	427	171	2,475

Timing of Revenue recognition-2024

	Letters of credit US\$'000	Funds transfer US\$'000	Customer Account US\$'000	Others US\$'000	Total US\$'000
Recognised at point in time	1,512	193	61	100	1,866
Recognised over time	30	-	132	-	162
Total	1,542	193	193	100	2,028

8. Dealing and exchange gain

Dealing and exchange gains relates to foreign exchange income derived from customer facilitation and the revaluation of assets and liabilities denominated in currencies other than the US Dollar and the gain / (loss) from the sale of securities.

	2025 US\$'000	2024 US\$'000
Fair value through other comprehensive income	1,502	-
Foreign exchange gain	752	275
	2,254	275

9. Other operating expense

	2025 US\$'000	2024 US\$'000
Other operating charges and brokerage	(493)	(359)
	(493)	(359)

10. Administrative expenses

	2025 US\$'000	2024 US\$'000
Wages and salaries, including directors	(7,100)	(6,256)
Social security costs	(949)	(701)
Pension costs	(707)	(654)
Other staff costs	(727)	(551)
Total staff costs	(9,482)	(8,162)
Computer and equipment costs	(1,734)	(1,289)
Professional fees	(1,432)	(1,217)
Other administrative expenses	(2,039)	(2,082)
	(14,688)	(12,750)

Our staffing increased throughout the year, as the Bank increased activity to prepare for a new phase of growth. Average staffing levels increased from 54 in 2024 to 59 in 2025, resulting in staff costs increasing by \$1.3m, from \$8.16m to \$9.48m. Professional fees paid for consultancy also increase from \$1.2m in 2024 to \$1.4m in 2025 as the Bank invested in support and advice to strengthen the infrastructure and control framework of the Bank.

NOTES TO THE FINANCIAL STATEMENTS

All other administrative expenses are incurred in the ordinary course of the Bank's business.

Average number of employees, including executive directors:	2025 No.	2024 No.
Banking	31	28
Operations	25	23
Administration	3	3
	59	54

11. Pension costs

The Bank makes defined contributions to the personal pension funds of employees under Group Personal Pension arrangements. During the year to 31 December 2025, the Bank made contributions totalling \$0.7m (2024: \$0.65m).

Contributions accrued at the reporting date amounted to \$Nil (2024: \$Nil). There were no outstanding pre-paid contributions at the reporting date.

12. Directors' emoluments

	2025 US\$'000	2024 US\$'000
Executive director emoluments	(979)	(558)
Non-executive directors' fees	(279)	(355)
	(1,258)	(913)

The emoluments of the highest paid director, excluding pension contributions, were \$0.48m (2024: \$0.3m). Pension contributions were made to three directors during the year amounting to \$0.25m (2024: Two directors \$0.05m). No benefits in kind were paid during the year 2025: \$Nil (2024: \$Nil).

13. Profit/Loss before tax

	2025 US\$'000	2024 US\$'000
Profit/ (Loss) is stated after		
Amounts payable to the Auditor and its associates pursuant to legislation in respect of:		
- Statutory Audit of the financial statements	(425)	(395)
- Audit-related assurance services	(157)	(135)
Other services relating to taxation which are not provided by Statutory Auditors	(22)	(22)
Other low value operating lease and similar rentals	(7)	(6)

14. Taxation

Tax on profit/loss on activities in the statement of comprehensive income:

a. Reconciliation of the total tax charge

	2025 US\$'000	2024 US\$'000
Profit/ Loss on activities before tax	920	(2,151)
Tax at 25.00% (2024 25%)	230	(538)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	9	(7)
Fixed asset differences	0	91
Remeasurement of deferred tax for change in tax rates		-
Deferred tax not recognised	(239)	(622)
Tax charge	-	-

The following is an analysis of the deferred tax assets recognised by the Bank:

NOTES TO THE FINANCIAL STATEMENTS

b. Analysis of deferred tax assets

	2025	2024
	US\$'000	US\$'000
Brought forward	-	-
Movements in respect of prior year	-	-
Deferred tax recognised directly to equity	-	-
Short term timing differences	-	-
	-	-

A deferred tax asset of \$10.46m (2024: \$10.81m) against losses of \$41.8m (2024: \$42.75m) and temporary differences of \$0.5m (2024: \$0.5m) has not been recognised.

c. Factors that may affect future tax charges

The UK corporation tax rate was 25% for the period to 31 March 2025.

The tax rate of 25% for profits of over £250,000 remains unchanged for the year beginning 1 April 2025.

15. Financial assets and liabilities

The table below sets out the Bank's classification of each class of financial asset and liability as at 31st December 2025 and 31st December 2024:

2025

US\$'000	Note	Measured at FVOCI	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Cash and cash equivalents	16	-	121,756	-	121,756
Financial assets measured at FVOCI	17	33,826	-	-	33,826
Financial assets measured at Amortised cost	17	-	8,103	-	8,103
Loans and advances to banks	18	-	123,763	-	123,763
Loans and advances to customers	19	-	146,830	-	146,830
Short-term investments	16	-	11,074	-	11,074
Other assets	23	-	1,708	-	1,708
Deposits by banks	24	-	-	194,123	194,123
Customer accounts	25	-	-	197,185	197,185
Other liabilities	26/33	-	-	2,246	2,246

NOTES TO THE FINANCIAL STATEMENTS

2024 US\$'000	Note	Measured at FVOCI	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Cash and cash equivalents	16	-	99,914	-	99,914
Financial assets measured at FVOCI	17	47,544	-	-	47,544
Loans and advances to banks	18	-	65,801	-	65,801
Loans and advances to customers	19	-	55,165	-	55,165
Other assets	23	-	1,226	-	1,226
Deposits by banks	24	-	-	106,195	106,195
Customer accounts	25	-	-	107,700	107,700
Other liabilities	26/33	-	-	2,593	2,593

16. Cash and cash equivalents and short-term investments

Cash and cash equivalents

Cash and balances with other banks
Short term placements with banks
Expected Credit Losses
Net amount

2025 US\$'000	2024 US\$'000
18,970	8,534
102,796	91,394
121,766	99,928
(10)	(14)
121,756	99,914

Short-term investments

Expected Credit Losses
Net amount

2025 US\$'000	2024 US\$'000
11,075	-
11,075	-
(1)	-
11,074	-

Short-term investments comprise placements with banks that have an original maturity of more than 90 days from inception but are considered short term in nature due to their remaining maturity, high liquidity, and minimal credit risk. These balances are held for the purpose of managing short-term liquidity rather than for trading or long-term investment.

17. Financial assets

17a Financial assets measured at FVOCI

Treasury bills
Expected Credit Losses
Net amount

2025 US\$'000	2024 US\$'000
33,832	47,549
(5)	(5)
33,826	47,544

Maturity

- 3 months or less
- 1 year or less but over 3 months
- 5 years or less but over 1 year
- Over 5 years

-	19,476
33,826	28,068
-	-
-	-
33,826	47,544

NOTES TO THE FINANCIAL STATEMENTS

17b Financial assets measured at Amortised cost

	2025 US\$'000	2024 US\$'000
Bonds at amortised cost	8,173	-
Expected Credit Losses	(70)	-
Net amount	8,103	-
Maturity		
- 3 months or less	-	-
- 1 year or less but over 3 months	-	-
- 5 years or less but over 1 year	2,854	-
- Over 5 years	5,249	-
	8,103	-

The Bank measures fair values using the fair value hierarchy that reflects the significance of inputs used in making the measurements. The financial assets of the Bank fall within the category of Level 1 where valuation is based upon quoted prices in an active market for the same or identical instrument. Unrealised loss of \$0.01m (2024: Unrealised profits of \$0.025m) have been recognised in other comprehensive income.

Financial assets (Fair valued through OCI and amortised cost) purchased during the year amounted to \$117.33m (2024: \$72.39m) and financial assets fair valued through OCI sold during the year amounted to \$126.61m (2024: \$68.94m) respectively.

18. Loans and advances to banks

	2025 US\$'000			2024 US\$'000		
	Gross amount	Impairment Allowance	Net amount	Gross amount	Impairment Allowance	Net amount
Bank loans	123,874	(111)	123,763	66,145	(344)	65,801
	123,874	(111)	123,763	66,145	(344)	65,801

The fair value of the cash collateral held in respect of the loans and advances to banks at 31 December 2025 is \$86.4m (2024: \$52.67m). This collateral can be used in the event of default by the borrower.

The following table shows the remaining maturity of the loans and advances to banks:

	2025 US\$'000			2024 US\$'000		
	Gross Amount Performing	Impairment Allowance	Net Amount	Gross Amount	Impairment Allowance	Net amount
Repayable on demand or at short notice	1	-	1	1	-	1
Remaining maturity:						
- 3 months or less excluding above	11,506	(5)	11,501	43,876	(56)	43,820
- 1 year or less but over 3 months	107,281	(85)	107,196	22,268	(288)	21,980
- 5 years or less but over 1 year	5,086	(21)	5,065	-	-	-
	123,874	(111)	123,763	66,145	(344)	65,801

NOTES TO THE FINANCIAL STATEMENTS

19. Loans and advances to customers

	2025 US\$'000			2024 US\$'000		
	Gross amount	Impairment allowance	Net amount	Gross amount	Impairment allowance	Net amount
Commercial loans & advances	97,206	(110)	97,096	35,991	(69)	35,922
Personal loans & advances	295	(6)	289	263	(5)	258
Syndicated loans	24,259	(82)	24,177	19,145	(160)	18,985
Sovereign Loans	25,397	(129)	25,268	-	-	-
	147,157	(327)	146,830	55,399	(234)	55,165

The fair value of the collateral held in respect of the loans and advances to customers is \$190m as at 31 December 2025 (2024: \$59m). This collateral can be used in the event of default by the borrower. Out of the total collateral, \$0.6m is for impaired loans and advances to customers (2024: \$1.9m) and \$ 12.86m (2024: \$1.6m) is for loans and advances to customers that are past due, but not impaired.

The following table shows the remaining maturity of the loans and advances to customers:

	2025 US\$'000			2024 US\$'000		
	Gross Amount	Impairment allowance	Net amount	Gross Amount	Impairment allowance	Net amount
Repayable on demand or at short notice	7,207	(9)	7,198	25	(19)	6
Remaining maturity:						
- 3 months or less excluding above	39,743	(13)	39,730	13,828	(5)	13,823
- 1 year or less but over 3 months	23,793	(68)	23,725	9,015	(2)	9,013
- 5 years or less but over 1 year	44,418	(161)	44,257	20,628	(166)	20,462
- Over 5 years	31,996	(76)	31,920	11,903	(42)	11,861
	147,157	(327)	146,830	55,399	(234)	55,165

Of the \$0.33m impairment provision (2024: \$0.23m), \$0.32m represents the Stage 1 and stage 2 provisions under IFRS 9 (2024: \$0.18m) while Stage 3 provisions amounted to \$0.01m (2024: \$0.05m).

20. Net impairment loss for loans and advances to customers & banks

	2025 US\$'000	2024 US\$'000
At beginning of the year	(780)	(140)
(Charge)/Reversal to statement of comprehensive income	203	(640)
Amounts written off against historic provisions	-	-
At the end of the year	(577)	(780)
Loans and advances to banks and cash in hand	(121)	(358)
Loans and advances to customers	(198)	(234)
Investment securities	(75)	(5)
Loans and Advances to Government	(129)	
Off balance sheet exposures	(54)	(183)
	(577)	(780)

During the year, the Bank has written off loans and advances to customers amounting to \$ Nil (2024: \$Nil)

The carrying amount of the loans and advances to customers in default at the end of the reporting period is \$0.17m (2024: \$0.67m).

NOTES TO THE FINANCIAL STATEMENTS

21. Property and equipment

Cost:

At beginning of the year

Additions

Disposals

At end of the year

Depreciation:

At beginning of the year

Charge for the year

Disposals

At end of the year

Net book value at 31 December

2025 US\$'000			
Leasehold Improvements	Office Equipment and Furniture & IT Hardware		Total
318	537		855
2	2		4
	-		-
320	539		859
(286)	(510)		(796)
(9)	(16)		(25)
-	-		-
(295)	(526)		(821)
25	13		38

Cost:

At beginning of the year

Additions

Disposals

At end of the year

Depreciation:

At beginning of the year

Charge for the year

Disposals

At end of the year

Net book value at 31 December

2024 US\$'000			
Leasehold Improvements	Office Equipment and Furniture & IT Hardware		Total
303	524		827
15	15		30
	(2)		(2)
318	537		855
(280)	(491)		(771)
(6)	(21)		(27)
	2		2
(286)	(510)		(796)
32	27		59

22. Intangible assets

Cost:

At beginning of the year

Additions

Disposals

At end of the year

Amortisation:

At beginning of the year

Disposals

Reclassified

Charge for the year

At end of the year

Net book value at 31 December

	2025 Software US\$'000	2024 Software US\$'000
At beginning of the year	3,930	3,898
Additions	389	32
Disposals		
At end of the year	4,319	3,930
At beginning of the year	(3,564)	(3,435)
Disposals	-	-
Reclassified	-	-
Charge for the year	(139)	(129)
At end of the year	(3,703)	(3,564)
Net book value at 31 December	616	366

NOTES TO THE FINANCIAL STATEMENTS

23. Other Assets

Receivable within twelve months:

Fees and Commissions

Other receivables

Receivable greater than twelve months:

Rent and other security deposits

	2025 US\$'000	2024 US\$'000
Fees and Commissions	196	186
Other receivables	644	536
Rent and other security deposits	868	504
	1,708	1,226

Other receivables for 2025 includes a Mastercard security of \$0.11m and input VAT of \$0.28m.

NOTES TO THE FINANCIAL STATEMENTS



NOTES TO THE FINANCIAL STATEMENTS

24. Deposits by banks

Repayable on demand

Remaining maturity:

- 3 months or less excluding above

- 1 year or less but over 3 months

- 5 years or less but over 1 year

	2025 US\$'000	2024 US\$'000
	27,799	49,617
	45,223	26,166
	121,101	30,412
	-	-
	194,123	106,195

Deposits by banks include amounts totalling \$95.13m (2024: \$50.25m) charged to the Bank to secure actual and contingent liabilities in respect of letters of credit.

25. Customer accounts

Repayable on demand

Remaining maturity:

- 3 months or less excluding above

- 1 year or less but over 3 months

- 5 years or less but over 1 year

	2025 US\$'000	2024 US\$'000
	60,879	50,111
	27,588	15,788
	108,364	33,492
	354	8,309
	197,185	107,700

26. Other liabilities

Payable within twelve months:

PAYE and social security

Account payable

IFRS9 provision-Trade finance and loan commitments

	2025 US\$'000	2024 US\$'000
	281	208
	673	598
	54	182
	1,008	988

27. Accruals and deferred income

Accruals

Deferred income

	2025 US\$'000	2024 US\$'000
	120	94
	29	367
	149	461

28. Called up share capital

Authorised, Allotted, called up and fully paid

50,000 ordinary shares of £1 each

85,062,040 ordinary shares of US\$1 each

Redenomination Reserve

	2025 US\$'000	2024 US\$'000
	-	90
	85,062	85,000
	28	-
	85,090	85,090

The ordinary shares comprise a single class and each have the same voting rights as well as rights to dividends and distributions. The erstwhile deferred shares of 50,000 ordinary shares of £1 each was redenominated into USD during the year. This gave rise to 85,062,040 ordinary shares of US\$1 each and Redenomination reserve of \$0.028m.

NOTES TO THE FINANCIAL STATEMENTS

29. Related party transactions

During the period to 31st December 2025, the Bank undertook transactions with Fidelity Bank Plc and its subsidiaries (the Fidelity Group) in the normal course of business. These include loans and deposits and foreign currency transactions and the associated interest income and expenses. Loans and advances to banks and exposures guaranteed by Fidelity Bank Plc are cash secured to a maximum of \$93.8m (2024: \$25.2m). Balances and related income and expense included in these financial statements in respect of the transactions with Fidelity Group are as follows:

<i>Holding company</i>	2025	2024
	US\$'000	US\$'000
<i>Assets</i>		
Loans and advances to banks	83,438	28,658
<i>Liabilities</i>		
Deposits by banks	92,858	35,232
<i>Income – interest</i>		
From holding company	2,566	2,806
<i>Expense – interest</i>		
To holding company	2,092	745

At 31 December 2025 loans to Executive directors of the Bank on terms generally available to staff was £Nil (2024: £0.025m). More information regarding key management compensation is included within note 12. No transactions have been undertaken with related parties of the board.

30. Financial risk management

a) Risk management

The Bank holds and issues financial instruments for the purposes of:

- earning interest margins, fees and commission;
- financing its operations; and
- managing the interest rate and currency risks inherent in its operations.

The Bank does not actively trade in financial instruments and, therefore, does not have a trading book. Its operations are financed from a mixture of equity and deposits. Deposits are raised primarily in US Dollars and to a lesser extent Sterling and euros at both fixed and variable rates and lending is similarly distributed. Longer term lending is partly financed by capital but is otherwise generally matched to deposits both in terms of maturity and re-pricing.

The Bank's functional currency is the US Dollar. It does not actively speculate in foreign currencies and the majority of its foreign exchange transactions are carried out in the spot market for customer facilitation purposes. The main risks arising from the Bank's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. Management has developed policies for managing each of these risks, which are reviewed and approved by the Board on an annual basis. Significant features of these policies are summarised below.

b) Credit risk

Credit risk is the risk that a customer or counterparty is unable or unwilling to meet a commitment that it has entered into with the Bank and arises mainly from lending and trade finance activities. To mitigate this risk, the Bank has adopted policies that minimise significant unsecured credit exposures other than to financial institutions and to avoid concentrations of unsecured credit risk to counterparty groups, industry sectors and countries, which do not carry investment grade credit ratings. All credit exposures are subject to continuous assessment by the Assets & Liabilities Committee and the Risk & Board Risk Committee. It is the policy of the Bank to make adequate impairment allowances where real or probable problems in asset recovery are identified. Details of impairment allowances are summarised in notes 16 to 20.

NOTES TO THE FINANCIAL STATEMENTS

i. Credit exposure by sector (On balance sheet)

	2025 US\$'000	2024 US\$'000
Banks	256,593	165,715
Government	67,197	47,545
Corporate	97,096	43,454
Individuals	24,466	11,710
	445,352	268,424

ii. Credit exposure by location

	2025 US\$'000	2024 US\$'000
Europe	192,255	139,130
Africa	194,130	84,821
United States	41,208	44,473
Others	17,758	-
	445,352	268,424

The above sector and geographical analyses only include cash at bank and in hand, loans and advances to banks and to customers at amortised cost, financial assets valued at fair value through other comprehensive income. The Bank has established procedures to manage country risk. During the year there continued to be periods of significant volatility in the emerging bond markets which are closely monitored and valued daily. The Bank also carries out country credit reviews of emerging markets and thereby assesses any potential creditworthiness issues.

iii. Credit exposure by Credit Quality Step

The Bank extends credit facilities to quality rated and unrated counterparties. An analysis of the credit quality of the maximum credit exposure based on ratings provided by Fitch rating agency and where applicable grouped by Credit Quality Steps (CQS) as follows:

CQS	Assets	2025 US\$'000	2024 US\$'000
	Cash and Cash Equivalent		
	Rated AAA to AA-	91	140
	Rated A+ to A-	64,147	60,376
	Rated BBB+ to BBB	45,786	-
	Rated BB+ to BB-	11,650	39,398
	Rated B+ to B-	82	-
	Unrated	-	-
		121,756	99,914
	Loans and Advances to Banks		
	Rated AAA to AA-	-	-
	Rated A+ to A-	-	-
	Rated BBB+ to BBB-	-	-
	Rated BB+ to BB-	-	-
	Rated B+ to B-	121,936	31,432
	CCC+ and below	1,827	34,369
		123,763	65,801
	Loans and Advances to Customers		
	Performing	136,704	54,552
	Past due - not impaired	9,958	-
	Impaired loan	168	613
		146,830	55,165

NOTES TO THE FINANCIAL STATEMENTS

Financial Assets at FVOCI		
Rated AAA to AA-	33,826	47,544
Rated B+ to B-	-	-
	33,826	47,544
Financial Assets at Amortised cost		
Related B+ to B-	8,103	-
	8,103	-
Derivative Financial Assets	423	-
	423	-

As at 31 December 2025, the Bank's maximum exposure to credit is \$474m (2024: \$320m), of which US\$0.18m (2024: \$0.66m) is deemed to be impaired or doubtful. These amounts include all financial assets and undrawn irrevocable loan and trade commitments. The Bank held collateral totalling \$285.8m (2024: \$120m) against credit exposures of \$445m (2024: \$269m) of which \$95.1m (2024: \$61m) was in the form of cash. The remaining collateral was primarily in the form of guarantees, immovable property and charges over companies' assets.

Loans are considered forbore when terms and conditions of a loan are modified due a borrower being unable to meet current terms and conditions due to factors indicating financial difficulty. Examples may include reducing interest rates, delaying payment of principal and amending or not enforcing covenants.

Lending subject to forbearance, net of credit risk mitigation, as at 31 December 2025 is \$ 0.46ml (2024: \$ Nil).

c) Liquidity risk

Liquidity risk is the risk that the Bank cannot meet its commitments to customers and counterparties as they fall due because of mismatch in cash flows arising from liabilities and assets. To mitigate this risk, the liquidity structure of assets, liabilities and commitments is managed so that resultant cash flows are appropriately balanced, within approved limits and mismatch parameters set by the PRA, to ensure that all obligations can be met when due. Generally, it is the policy of the Bank to match the currency and maturity of all liabilities and assets as far as practicable and to maintain a store of liquidity in the form of readily realisable debt securities, including government treasury bills.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities. All amounts within deposits by banks and customer accounts include both principal and future interest payments:

US\$'000	2025					Total
	Time band					
	Less than 3 Months	3 – 6 months	6 – 12 months	1 – 5 years	Over 5 years	
Liabilities						
Deposits by banks	73,022	121,101	-	-	-	194,123
Customer accounts	88,467	32,753	75,611	354	-	197,185
Financial liabilities - derivatives	138	-	-	-	-	138
Other liabilities	1,128	131	268	720	-	2,247
Total liabilities	162,755	153,958	75,879	1,074	-	393,693
Off balance sheet	37,262	1,716	3,950	-	-	42,928

NOTES TO THE FINANCIAL STATEMENTS

US\$'000	2024					Total
	Time band					
	Less than 3 Months	3 – 6 months	6 – 12 months	1 – 5 years	Over 5 years	
Liabilities						
Deposits by banks	76,072	31,113	-	-	-	107,185
Customer accounts	66,005	9,926	24,586	8,932	-	109,449
Other liabilities	988	-	451	1,154	-	2,593
Total liabilities	143,065	41,039	25,037	10,086	-	219,227
Off balance sheet	33,363	16,949	210	-	-	50,522

The above includes financial liabilities. Off balance sheet consists of confirmed letters of credit and pipeline loans and mortgages.

Deposits from the bank and the customers are restated for 2024 to correct the time band error.

d) Interest rate risk

Interest rate risk is the risk of loss arising from differences in the re-pricing dates of liabilities and assets. The Bank's policy is to limit re-pricing risk by setting re-pricing gap limits and by regularly reviewing its re-pricing risk by reference to assumed adverse movements in interest rates to ensure that the risk of loss remains within acceptable limits. Therefore, the Bank's treasury and lending functions seek to price assets at floating rates or at fixed rates for fixed periods at appropriate roll-over dates that allow for matching with customer and market liabilities.

The table below summarises the Bank's assets and liabilities by re-pricing time band and demonstrates the extent to which these are matched.

i. Interest rate gap analysis

Assets and liabilities are analysed in time bands according to the earlier of the period to the next interest rate re-pricing and maturity date as follows:

US\$'000	2025						Total
	Time band						
	Less than 3 months	3 – 6 months	6 – 12 months	1 – 5 years	Over 5 years	Non- interest bearing	
Total Financial assets	180,186	88,119	87,703	52,175	37,168	-	445,351
Total Financial liabilities	161,609	153,984	75,879	1,073	-	-	392,545
Interest rate sensitivity gap	18,577	(65,865)	11,824	51,102	37,168	-	52,806
Cumulative gap	18,577	(47,288)	(35,464)	15,638	52,806		

US\$'000	2024						Total
	Time band						
	Less than 3 months	3 – 6 months	6 – 12 months	1 – 5 years	Over 5 years	Non- interest bearing	
Total Financial assets	177,041	50,324	8,736	20,462	11,861	-	268,424
Total Financial liabilities	142,763	40,145	24,210	9,463	-	-	216,581
Interest rate sensitivity gap	34,278	10,179	(15,474)	10,999	11,861	-	51,843
Cumulative gap	34,278	44,457	28,983	39,982	51,843	51,843	

NOTES TO THE FINANCIAL STATEMENTS

e) Currency risk

Limited foreign exchange exposure arises from the facilitation of customer orders, derivatives arising from cash swaps and from profits and losses in currencies other than the functional currency. The Bank does not actively speculate in foreign currencies and does not deal in foreign exchange options, futures or options thereon except to the limited extent necessary to hedge cash flows arising from its own and its customers' activities. Foreign exchange exposures are subject to limits as to positions in individual currencies and as to the 'overall net open position'.

Details of the Bank's assets and liabilities by currency of denomination are summarised in US Dollars in table (i) below to demonstrate the extent to which foreign currency exposures are matched.

(i) Net currency position analysis

Assets and liabilities, expressed in US\$ but analysed according to the currency in which they were denominated, after considering the accounting policy for foreign currencies as set out in note 3(c), were as follows:

US\$'000	2025				Total
	Currencies				
	US Dollar	£ Sterling	Euro	Other	
Total Financial assets	327,888	108,537	8,905	22	445,352
Total Financial liabilities	(250,924)	(133,481)	(9,129)	(19)	(393,554)
Currency position	76,964	(24,944)	(224)	3	51,798

US\$'000	2024				Total
	Currencies				
	US Dollar	£ Sterling	Euro	Other	
Total Financial assets	203,798	64,166	423	37	268,424
Total Financial liabilities	(150,743)	(65,414)	(407)	(17)	(216,581)
Currency position	53,055	(1,248)	16	20	51,843

(ii) Foreign currency sensitivity analysis

Foreign currency sensitivity analysis has been performed on the foreign currency exposures inherent in the Bank's financial assets and financial liabilities at the reporting dates. The sensitivity analysis provides an indication of the impact on the Bank's statement of comprehensive income of reasonably possible changes in the currency exposures embedded within the functional currency environment in which the Bank operates. Reasonably possible changes are based on an analysis of historical currency volatility, together with any relevant assumptions regarding near-term future volatility.

The Bank believes that for each foreign currency net exposure it is reasonable to assume a 5% appreciation/depreciation against the Bank's functional currency, given the control exercised over the Bank's currency positions. If all other variables are held constant, the tables below present the impacts on the Bank's statement of comprehensive income if these currency movements had occurred.

The financial statements have used a closing rate of £1 to \$1.3466 and during the year the average rate was \$1.3198.

US\$'000	2025		
	Currencies (FC)		
	£ Sterling	Euro	Other
Net foreign currency exposures	(24,944)	(224)	3
Impact on loss and equity of 5% increase in FC: USD rate	918	(2)	7
Impact on loss and equity of 5% decrease in FC: USD rate	(1,014)	2	(7)

NOTES TO THE FINANCIAL STATEMENTS

2024

US\$'000	Currencies (FC)		
	£ Sterling	Euro	Other
Net foreign currency exposures	(1,248)	16	20
Impact on loss and equity of 5% increase in FC: USD rate	47	(1)	34
Impact on loss and equity of 5% decrease in FC: USD rate	(52)	1	(34)

f) Capital adequacy

The Bank is subject to minimum capital requirements imposed by the PRA, following guidelines developed by the Basel Committee on Banking Supervision and implemented in the UK via European Union Directives. The revised framework, known as CRDIV, includes a more risk-sensitive methodology for the calculation of capital requirements for Credit Risk as well as a capital requirement for Operational Risk.

Minimum capital requirements under the PRA's rules are calculated by summing the capital requirements for Credit Risk, Operational Risk, Market Risk and Counterparty Credit Risk. For the purposes of computing these requirements the Bank has elected to adopt the Standardised Approach to Credit Risk and the Basic Indicator Approach to Operational Risk. Market Risk is determined using the standard Position Risk Requirement ('PRR') rules and Counterparty Credit Risk ('CCR') is calculated using the CCR mark to market method. The Market Risk and Counterparty Credit Risk components of the capital requirement are small because the Bank has no trading book.

The minimum capital requirement for Credit Risk under Pillar 1 of CRDIV is calculated by multiplying risk weighted assets by 8%, the internationally agreed minimum ratio. Risk weighted assets are determined by applying risk weights, which vary according to the credit rating of the obligor, to the Bank's assets, including off statement of financial position engagements that are subject also to given credit risk conversion factors. Under Pillar 2 the Bank undertakes an assessment (the ICAAP process) of the amount of capital that is required to support its activities using the Pillar 1 plus approach. This assessment has identified several risks that either do not attract capital under Pillar 1 or where the Pillar 1 requirement does not fully capture the risks faced by the Bank. Additional capital is set aside under Pillar 2 for these risks, which include exposure concentrations and interest rate risk in the non-trading book. The Bank's total capital requirement is then the sum of the amounts calculated under Pillar 1 and Pillar 2. Furthermore, the Bank is subject to Individual Capital Guidance ('ICG') provided by the PRA whereby the Pillar 2 requirement is computed by applying a formula to the Pillar 1 requirement. This results in a Pillar 2 requirement that is somewhat higher than that determined through the ICAAP process.

The Bank calculates its capital adequacy daily by comparing the total capital requirement in accordance with the ICG to capital available to meet this requirement (Regulatory Capital). A capital buffer is also incorporated, which is based on a level of tolerance to unexpected losses that is considered and agreed by the Board as part of the ICAAP process. At 31 December 2024 and throughout the year, the Bank maintained Regulatory Capital more than the total capital requirement calculated in accordance with the ICG.

The following table is an analysis of those items which comprise the Regulatory Capital base for the purposes of reporting to the PRA.

	2025 US\$'000	2024 US\$'000
Statement of financial position:		
Share Capital	85,090	85,090
Profit & Loss Reserve	(28,820)	(29,740)
Securities (FVOCI reserve)	11	21
Less Intangibles	(616)	(366)
Total Tier 1 Capital	55,665	55,005
Total Regulatory Capital	55,665	55,005

NOTES TO THE FINANCIAL STATEMENTS

The Regulatory Capital shown agrees to the Regulatory Capital reported to the PRA because accumulated losses are reportable as they occur.

The directors regard share capital and reserves as its capital for the capital management purposes where the objective to ensure it is sufficient to participate in lines of business and to meet Prudential Regulatory Authority's capital requirements. In order to maintain or adjust the capital structure, the Bank may issue new shares or sell assets.

31. Fair values of financial instruments

Fair value measurements

The information set out below provides information about how the Bank determines fair values of various financial assets and financial liabilities. The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 – fair value measurements derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value measurements derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – fair value measurements derived from unobservable inputs to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

US\$'000	2025			
	Level 1	Level 2	Level 3	Total
Financial assets measured at FVOCI	33,826	-	-	33,826
Derivative Financial Assets	-	423	-	423
Total	33,826	423	-	34,249

US\$'000	2025			
	Level 1	Level 2	Level 3	Total
Derivative Financial Liability	-	138	-	138
Total	-	138	-	138

US\$'000	2024			
	Level 1	Level 2	Level 3	Total
Financial assets measured at FVOCI	47,544	-	-	47,544
Total	47,544	-	-	47,544

The following table sets out the fair values of financial instruments not measured at fair value and compares them to carrying value.

	2025		2024	
	Carrying Value US\$'000	Fair Value US\$'000	Carrying Value US\$'000	Fair Value US\$'000
Assets				
Cash and cash equivalents	121,756	121,756	99,914	99,914
Loans and advances to banks	123,763	123,763	65,801	65,801
Loans and advances to customers	146,830	161,667	55,165	54,782
Financial assets valued at Amortised Cost	8,103	-	-	-
Short-term investments	11,074	11,074	-	-
Liabilities				
Deposits by banks	194,123	194,123	106,195	106,195
Customer accounts	197,185	197,185	107,700	107,790
Derivative Financial liabilities	138	138	-	-

NOTES TO THE FINANCIAL STATEMENTS

The fair value of financial instruments is the estimated price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. If a quoted market price is available for an instrument, the fair value is calculated based on the market price. Where quoted market prices are not available, fair value is determined using pricing models which use a mathematical methodology based on accepted financial theories, depending on the product type and its components.

Cash at bank consists of demand deposits with third party banks. Accordingly, the carrying amount of these balances is deemed an appropriate approximation of the fair value.

Both loans and advances to banks and customers noted above are level 3 financial assets. Loans and advances to banks comprise secured loans, short-term placements with banks and unsettled financial transactions. The secured loans have been valued as above and using the valuation technique described below. The carrying amount of the other items is deemed a reasonable approximation of their fair value, as the transactions are very short-term in duration. This includes intercompany balances.

The fair valuation of loans and advances to customers is an area of considerable estimation and uncertainty as there is no observable market and values are significantly affected by customer behaviour. These comprise secured loans, unsecured loans and corporate loans.

The fair values of mortgage portfolios have been estimated by comparing existing contractual interest rates over the weighted average lives with an estimation of new business interest rates based on competitor market information. Adjustments have also been made to reduce:

- the weighted average lives to reflect the uncertainty inherent in the value that could be achieved, given that the borrower could re-finance at any time;
- discount the value of performing loans with a higher loan-to-value ratio to reflect the higher risk of this part of the portfolio and the fact that this is outside the Company's normal underwriting standards; and
- discount the collateral value of non-performing loans with a higher loan-to-value ratio to reflect the significantly higher possibility of re-possession and the lower value that is achieved on repossession and to take cognisance of rates available in the market for loans in arrears but with a lower loan-to-value ratio.

Unsecured loans are overdrafts and personal loans. The weighted average lives of these portfolios are short, and the business was written relatively recently. As a result, contractual interest rates approximate new business interest rates, and therefore no mark-to-market surplus or deficit has been recorded with respect to the performing book and discounts applied to the non-performing book.

The fair values of corporate loans have been estimated by comparing existing margins with an estimation of new business rates for similar loans in terms of the borrower's segment, maturity and structure. Provisions are considered appropriate for the book that is not impaired. A discount has been applied to impaired loans as although exits have generally been achieved at carrying value, this does not reflect the discount a purchaser would require.

All financial liabilities are level 3 liabilities, except for the derivatives which are level 2. The majority of deposit by banks, customer accounts and other liabilities are payable on demand and therefore can be deemed short-term in nature with the fair value equal to the carrying value. Certain of the customer accounts are at a fixed rate until maturity. The deficit/surplus of fair value over carrying value of these liabilities has been estimated by reference to the market rates available at the reporting date for similar customer accounts of similar maturities. The fair value of such customer accounts has been estimated using the valuation technique described below.

In the valuation of loans and advances and deposits, the 'present value' method is used. Expected future cash flows are discounted using the interest rate curves of the applicable currencies. The interest rates curves are generally observable market data and reference yield curves derived from quoted interest rates in appropriate time bandings, which match the timings of the cash flows and maturities of the instruments.

NOTES TO THE FINANCIAL STATEMENTS

32. Contingent liabilities and commitments

	2025 US\$'000	2024 US\$'000
Letters of credit	13,545	17,159
Guarantees given to third parties	693	-
	14,238	17,159

As at 31 December 2025, the Bank held undrawn commitments amounting to \$28.69m (2024: \$13.08m).

The Bank issues letters of credit and guarantees in the ordinary course of business to support the obligations of customers. These instruments represent contingent liabilities, as payment is required only in the event of a customer default under the underlying contract. Letters of credit and guarantees are subject to credit risk and expected credit loss (ECL) assessment in accordance with IFRS 9. The amounts disclosed represent the maximum exposure to credit risk, as the full amount may become due in the event of customer default.

33. Leases

33 a. Low value leases

The Company had total minimum lease payments in respect of low value leases for land and buildings and equipment used in the business as follows.

	2025 US\$'000	2024 US\$'000
Leases which expire:		
Within one year	7	6
	7	6

33 b. Right-of-use-assets

	Land and Buildings US\$'000 2025	Land and Buildings US\$'000 2024
At 1 January	1,300	1,673
Addition Re Rent Increase	-	8
Depreciation charge for the year	(380)	(381)
At 31 December	919	1,300

Lease liabilities

	Land and Buildings US\$'000 2025	Land and Buildings US\$'000 2024
At 1 January	1,605	2,001
Interest expense	121	192
Lease payments	(606)	(564)
Foreign exchange movements	118	(24)
At 31 December	1,238	1,605

NOTES TO THE FINANCIAL STATEMENTS

Lease liabilities which expire:	2025 US\$'000	2024 US\$'000
Within one year	606	564
Within two to five years	909	1,270
Over five years	-	-
	1,515	1,834

These lease liabilities relate to the rental lease for the Bank's office premises at 1 King's Arms Yard, London, EC2R 7AF. In 2018 the Bank entered into a 10-year lease agreement for its office premises with a fixed rental term agreed for the first 5 years. This lease expires on the 31 May 2028.

34. Derivatives

The Bank now enters into FX forward that gives rise to derivative financial instruments for liquidity risk management purposes. Derivative financial assets/ liabilities arise from the revaluation of financial derivatives held by the Bank. The Bank does not currently trade in derivative products.

All derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative and these are marked to market with the gains or losses recorded in the profit or loss statement.

These are mainly short-term foreign exchange contracts and are held for cash management rather than for trading purposes and are held at fair value. All derivative contracts open at the year-end have intended settlement dates within twelve months. These are held for liquidity management only and hedge accounting is not applied.

The FX forward contracts are measured at fair value using observable market data, including forward exchange rates obtained from active markets. As a result, these derivatives are classified as Level 2 instruments within the IFRS fair value hierarchy.

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

	Notional Amount US\$'000	Fair value US\$'000
Derivative Financial Assets	14,000	423
Derivative Financial Liabilities	10,000	(138)

35. Dividends

A dividend payment of \$ Nil was made during the year ended 31 December 2025 (2024: \$ Nil)

36. Ultimate parent company and controlling party

The Bank is a directly wholly owned subsidiary of its parent and ultimate holding undertaking, Fidelity Bank Plc, a company incorporated in Nigeria and listed on the Nigerian Stock Exchange. The smallest and largest group in which the Bank is consolidated is Fidelity Bank Plc.

Corporate Head Office

The Fidelity Place
2, Kofo Abayomi Street,
Victoria Island, Lagos, Nigeria

37. Subsequent events

There are no subsequent events identified

38. Future accounting developments

As of 31 December 2025, a number of new standards, interpretations and amendments had been issued by the IASB but are not yet effective and have not been early adopted by the Bank. The Bank is currently assessing the impact of these standards and amendments on its financial statements. Where relevant, the Bank will adopt these standards on their effective dates.

NOTES TO THE FINANCIAL STATEMENTS

- Presentation and disclosures of Financial Statements (IFRS 18) - effective for annual periods beginning on or after 1 January 2027. The Bank is assessing the impact of the new presentation and disclosure requirements on its financial statements.
- IFRS 19 Subsidiaries without Public Accountability - Disclosures was issued to permit eligible subsidiaries to apply the recognition and measurement requirements of IFRS Accounting Standards while providing reduced disclosure requirements. The standard is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

The Bank is currently assessing the potential impact of IFRS 19, including whether it meets the eligibility criteria to apply the reduced disclosure framework. The application of IFRS 19 would not affect the recognition and measurement of transactions but may result in a reduction in the volume of disclosures presented in the financial statements.

At this stage, the Bank has not yet determined whether it will adopt the standard.

39. Other disclosures

The Capital Requirements (Country-by-Country Reporting) Regulations 2013 (SI 2013 No. 3118) implements part of the European Union's Capital Requirements Directive ("CRDIV"). Credit institutions and investment firms must disclose certain information on a consolidated basis for each country in which the firm has a subsidiary or branch.

FidBank UK Limited is a bank, and this disclosure meets its Country-by-Country Reporting ("CBCR") obligations under the Regulations. The information contained in this document reflects the position as at 31 December 2025.

FidBank UK Limited is required to disclose the following information:

Country (by turnover size)	Turnover (\$m)	Employees*	Profit before tax (\$m)	Corporation tax paid (\$m)	Public subsidies received (\$m)
United Kingdom	16.44	59	0.92	0.00	Nil
Group Total	16.44	59	0.92	0.00	Nil

*The average number of employees on a full-time equivalent basis

Country	Description of Activities	Name of entities
United Kingdom	Corporate, Retail & Commercial Banking Treasury & Trade Finance services	FidBank UK Limited