UBA UK

United Bank for Africa (UK) Ltd

2024 Annual Report and Accounts

www.ubauk.com

Africa's Global Bank

UBA UK: Your banking partner for Africa

At UBA UK, we facilitate trade, capital, and aid flows across borders, connecting international markets with Africa's vast potential. We partner with governments, multilaterals, financial institutions and development organizations to drive growth.

Contents

OFFICERS AND PROFESSIONAL ADVISERS

Directors
The directors of United Bank for Africa (UK) Limited ("UBA UK" or "the Bank") who were in office for the year ended and up to the date of signing the financial statements were:

Kennedy UZOKA
John Coulter
Ian Greenstreet
Alexander Trotter
Oliver Alawuba
Sola Yomi-Ajayi
Uche Ike (Retired on 30 June 2024)
Theresa Henshaw
Christopher Low
Dr Nashwa Saleh

Company secretary
Helen Iwuchukwu

Registered office
36 Queen Street London
Greater London EC4R 1BN

Bankers
Standard Chartered Bank
Citibank
Société Générale
United Bank for Africa Plc

Solicitors
Fox Williams LLP

Independent auditors
Ernst & Young
25 Churchill Place Canary Wharf London E14 5EY

Company registration number
03104974

Company website
www.ubauk.com

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Directors

DIRECTORS

Kennedy UZOKA
CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. Uzoka was appointed to the Board of UBA UK in October 2019, holds a Bachelor of Science degree in Mechanical Engineering from the University of Benin. He also holds an MBA from the University of Lagos. With almost three decades of diverse experience spanning commercial banking, corporate marketing communications, strategy, and business advisory services, Kennedy has made significant contributions to the industry. Prior to his appointment as the Chair, he served as the Group Managing Director/Chief Executive Officer of UBA Plc for six years, following his successful tenure as the Deputy Managing Director/Chief Executive Officer. Kennedy is an accomplished alumnus of prestigious institutions, including Harvard Business School (AMP) in Boston USA, the International Institute of Management Development (IMS) in Lausanne, Switzerland and the London Business School, United Kingdom.

Committees

- Board of Directors

Theresa Henshaw
CHIEF EXECUTIVE OFFICER

Ms Henshaw was appointed CEO of UBA UK in September 2023, having joined the Bank in November 2020 as Head of Business Development. Prior to joining UBA UK, she worked at Crown Agents Bank UK as Head of Global Markets Sales and led the Africa business of the bank. Ms Henshaw also spent 14 years at Habib Bank UK as Head of Treasury with executive oversight and responsibility for all Treasury activities in the UK, Switzerland, and Netherlands. She is a specialist in Business Development, ALM, FX, Liquidity and Cash Management and Fixed Income. She is an alumnus of IMD Lausanne and CASS Business School, where she received an MSc in Finance & Investment and runs a Mentor club for young, female professionals/entrepreneurs in the UK.

Committees

- Board of Directors
- Executive Committee (EXCO) – Chair
- Asset and Liability Committee (ALCO) – Chair Compliance Conduct and Audit Committee (CCAC) Risk Committee (RC)
- New Products and Activities Committee (NPAC) Board Risk & Compliance Committee
- Board Strategy and Finance Committee

John Coulter
INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Coulter was appointed to the Board of UBA UK in August 2017. He is an experienced banker having spent most of his career with JP Morgan, where he was Chairman of CEEMEA, Regional Head and CEO for Sub Saharan Africa, as well as holding directorships and senior positions in a number of their African entities. Mr Coulter was Chairman of the Foreign Bankers Association of South Africa and a Director of the South African Banking Council. Mr Coulter has also held senior positions with Brait SA as Group CEO and Morgan Stanley as CEO Sub Sahara Africa.

Mr. Coulter is currently a director of a number of investment companies and funds including Thula Capital Ltd and Key Capital Private Assets Fund ICAV. He is an alumnus of Trinity College Dublin, BA(Law) and University College Dublin, MBS (Masters in Business Studies).

Committees

- Board of Directors
- Board Audit Committee
- Board Nomination and Governance Committee (Chair)

Ian Greenstreet
INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Greenstreet has served on public and private corporate boards for the past 14 years, including on several financial institutions. His roles have included being a representative of the FMO (the Dutch Development Bank) on the board of Bank of Africa and Alios Capital, serving as a Director for Diamond Bank in Nigeria, and serving as a representative of the IFC on the board of Assupol Life insurance in South Africa. Mr Greenstreet brings diverse management and board experience in banking, finance, risk, managerial and financial technology together with a global network.

He currently sits on the advisory committee of the London Stock Exchange, on the board of Net1 UEPS, a fintech company in South Africa and is the Chair and Founder of Infinity Capital Partners Ltd in the UK. He previously served as regional Head of Risk for ABN AMRO Bank and a board member and Head of Henderson Fund Management in Luxembourg.

Mr. Greenstreet has attended a program at Harvard Business School on Driving Digital and Social Strategy and is a fellow of the Institute of Chartered Accountants in England and Wales (FCA).

Committees

- Board of Directors
- Board Audit Committee (Chair)
- Board Risk and Compliance Committee

Alexander Trotter
NON-EXECUTIVE DIRECTOR

Mr. Trotter was appointed to the Board of UBA UK in August 2020. He has significant experience in managing, investing in and advising African public and private companies. He was a portfolio manager for over ten years investing in frontier African equities. He is a trustee of the Tony Elumelu Foundation, Africa's leading supporter of entrepreneurship. He has a background in investment management, strategy, and corporate finance, and has held positions with UBS and GAM. He began his career at Linklaters, as a corporate lawyer.

Mr. Trotter holds degrees from Oxford University and Imperial College.

Committees

- Board of Directors
- Board Audit Committee
- Board Strategy and Finance Committee

Oliver Alawuba
NON-EXECUTIVE DIRECTOR

Mr. Alawuba was appointed to the Board of UBA UK in November 2022. He is a highly experienced senior banking professional and is the Group Managing Director/CEO of United Bank for Africa Plc ("UBA Plc").

At UBA he previously held roles including Country CEO for UBA Ghana Limited, Regional CEO, UBA Anglophone Africa Subsidiaries, Executive Director, East Bank, Nigeria, and Deputy Managing Director/CEO of UBA Africa.

He holds a degree in Food Science and Technology from Abia State University, Uturu, M.Sc. in Food Technology from the University of Ibadan, and MBA in Banking and Finance from Olabisi Onabanjo University, Ago Iwoye, Ogun State. He is alumnus of the Senior Executive Programme of London Business School and the Advanced Management Programme of INSEAD Business School in France.

Committees
- Board of Directors
- Board Strategy and Finance Committee (Chair)
- Board Risk and Compliance Committee
- Board Nomination and Governance Committee

Sola Yomi-Ajayi
NON-EXECUTIVE DIRECTOR

Sola Yomi-Ajayi is a highly experienced banker with over 28 years of banking experience managing corporate and institutional relationships with significant experience spanning international banking, regulatory engagement, structured funding, risk management, financial inclusion, transaction banking, correspondent banking, treasury, and operations.

As the Executive Director for international banking, and the CEO of UBA America, Sola Yomi-Ajayi is responsible for strategy formation as well as oversight for UBA Group's International business operations in America, Grand Cayman Islands, UK, France and Dubai-DIFC. She is also responsible for strategic oversight of the Group's Diplomatic, Multilateral and Development Organisation portfolios with a focus on facilitating the achievement of sustainable development goals on the African continent. She leads the respective teams in the execution of the corporate strategy and delivery of unique best-in-class financial solutions to UBA's customers across four continents.

Sola has a Bachelor of Arts degree from Obafemi Awolowo University, Ile-Ife, Nigeria, and an MBA from the Aberdeen Business School. She has also attended leadership and executive programs at Harvard Business School and Judge Business School, University of Cambridge. She is a Fellow of the Chartered Management Institute, UK and a Member, Board of Trustees for the US-based Institute of International Banking. Additionally, Sola served as a member of the US EXIM's Sub-Saharan Africa advisory committee from 2020 through 2022.

Committees
- Board of Directors
- Board Audit Committee
- Board Strategy and Finance Committee
- Board Nomination and Governance Committee
- Board Risk and Compliance Committee

Christopher Low
INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Christopher Low was appointed as an Independent Non-executive Director in October 2023. Christopher is on the Board of ASA international Group Plc, a leading international microfinance business operating in 13 emerging markets and chairs its Audit and Risk Committee. He is also on the board of Ed Partners Africa Holdings Limited, a non-banking financial institution, that provides financing to affordable schools in Kenya. Until recently he was I&M Group Plc's Regional Director for its East Africa businesses (Kenya, Rwanda, Tanzania, Uganda, and Mauritius), based in Nairobi. Further, he advises a number of FinTech start-ups in Kenya, Tanzania and Nigeria, sits on the Board of the Scottish African Business Association and is an investment Committee member of the Zephyr Acorn Fund that invests in early-stage companies using technology for impact.

With over 30 years in international financial services and digital transformation, Christopher has worked for Letshego Holdings Plc (Botswana – GCEO), Standard Chartered Plc (UK, Asia and Africa – roles included CEO, India and Chairman of Nepal, CEO Tanzania; GM/CEO East Africa/Kenya and CEO South Africa), National Bank of Kuwait (Middle East – Deputy CEO, International Banking) and Goldman Sachs (London). Also, he has advised the UK Government's Financial and Professional Services Sector Team (part of the Department of International Trade) on strategies for engaging with the UK banking sector to promote trade and investment. Christopher trained as a Chartered Accountant with Arthur Andersen & Co after reading Zoology at St Peters College, Oxford University. His outside interests include art and antiques, fly-fishing, travel and sustainability.

Committees

- Board of Directors
- Board Strategy and Finance Committee Board Audit Committee

Dr. Nashwa Saleh
INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board appointed Dr Nashwa Saleh as an Independent Non-executive Director in October 2023. She has more than 25 years' experience across global EM with a special focus on EMEA, holding various senior policy, equity, debt and capital markets roles with a number of international organisations and regulatory bodies. Her track record spanned mandates with USAID, EBRD, AfDB, Central Bank of Egypt, S&P Global and KPMG Corporate Finance. She is the founder of BAST Analytics UK Ltd which aspires to become the first premium provider of MSME data analytics in EMEA. She is a CFA charter holder and Chartered Management Accountant by the US Institute of Management Accountants.

She is a non-executive director at EBE Factors (subsidiary of the Egyptian Export Development Bank of Egypt).

Dr. Saleh is an Associate Professor of Finance & Fintech at Kingston Business School in London and has held several senior affiliations previously with Cranfield University, ESCP Europe, De Montfort University, Cambridge University & The American University in Cairo. She is a Fellow of the UK Higher Education Academy, FHEA, Chevening Scholar, receiving her PhD in Finance from Bayes Business School in London. MSc in Finance from London Business School and obtained her BA in Business Administration from the American University in Cairo (AUC). She is a CFA charter holder, member of the UK CFA Society and Chartered Management Accountant (CMA) by the US Institute of Management Accountants (IMA). She also holds a CFA certification in ESG Investing and is a Chartered Director (CDSS) from the UK Institute of Directors (IoD). Some of her recent board roles include non-executive director & board member, chair of the audit committee at Sandah Microfinance (founded by KfW & AAIB) and NED at EBE Factors (subsidiary of the Egyptian Export Development Bank of Egypt). She published a book in 2010 entitled An Anatomy of the Financial Crisis, Blowing Tumbleweed. She speaks French, English, Arabic and Turkish.

Committees

- Board of Directors
- Board Risk and Compliance Committee Board Nomination & Governance Committee

Other Directors of the Bank that held office during the year:

- Uche Ike (Retired as Non-Executive Director on 30 June 2024)

MANAGEMENT TEAM

Deji Adeyelure – CHIEF FINANCIAL OFFICER

Mr. Adeyelure joined the Bank in March 2021, and is a finance and banking professional with over two decades of experience across multiple jurisdictions. He was previously Chief Financial Officer of UBA Ghana and UBA Pensions (Nigeria) where he was pivotal in driving improved financial performance and operational transformation in both entities. His experience includes stints in regulated entities as chief financial officer of a fintech retail banking provider, finance director of a multifamily office, and with the FCA, where he provided business and financial analysis. Mr Adeyelure has also worked in investment banking as a finance controller overseeing M&A advisory, private wealth and securities trading businesses. He started his career in audit and is a fellow of the Association of Certified Chartered Accountants, and the Institute of Chartered Accountants of Nigeria. He holds degrees in Accounting and Applied Accounting from the University of Lagos and Oxford Brookes University in the UK.

Committees
- EXCO ALCO
- Risk Committee
- New Products and Activities Committee IT Steering Committee (Chair)

Oxana Kozliouk – CHIEF RISK OFFICER

Mrs. Kozliouk joined UBA UK in September 2022 as the Bank's Chief Risk Officer. She has over 25 years of experience in risk management. Mrs Kozliouk began her risk management career with UBS, and she subsequently held positions with Bank of America Merril Lynch and VTB Capital, Russia's predominant investment bank. In her last role, she was a member of the management board of a wholesale bank in Germany. Mrs Kozliouk has background in investment and corporate banking, including trade and real estate financing.

Committees
- EXCO ALCO
- Compliance Conduct and Audit Committee Risk Committee (Chair)
- New Products and Activities Committee (Chair)

Alexandre Alves – HEAD OF COMPLIANCE & MLRO

Mr. Alves has a background in financial services compliance with specific technical experience and knowledge of managing financial crime risk. He has implemented compliance frameworks, monitoring plans, new financial crime policies and procedures, as well as embedding a risk-based financial crime culture through awareness and training.

Mr. Alves has held several compliance roles at various financial institutions, including BNP Paribas, Bank of America and ICBC London. He is a qualified Certified Fraud Examiner and a Certified Anti-Money Laundering Specialist.

Committees
- EXCO
- Operations Committee
- Compliance Conduct and Audit Committee (Chair) New Products and Activities Committee

Alan Clark – CHIEF OPERATING OFFICER

Mr. Clark has 20 years' experience in financial services with a background in governance, control and internal audit. Most recently he headed internal audit for two small foreign banks. Prior to moving to the banking sector, he managed IT security and law enforcement activities for a central government department. Alan holds a PG Dip in Internal Audit and Management.

Committees
- EXCO ALCO
- Operations & Security Committee (Chair) Risk Committee
- Compliance Conduct and Audit Committee New Products and Activities Committee

Chika Patrick – HEAD OF HUMAN RESOURCES

Mr. Patrick is an experienced HR professional with more than a decade's experience across a variety of industries.

Before joining UBA UK, he served as the Global HR Lead at Sendwave where he was responsible for the development and execution of the HR strategy aimed at fostering a collaborative and high-performance culture. Previously he held senior positions at GSMA, Man Group Plc, Barclays Bank, and American Express.

He holds a Biomedical Science degree from Sunderland University, an MBA from the University of Strathclyde and is a member of the Chartered Institute of Personnel Development.

Committees
- EXCO
- Operations & Security Committee

Helen Iwuchukwu – HEAD OF LEGAL AND COMPANY SECRETARY

Ms Iwuchukwu is a Solicitor and Advocate of the Supreme Court of Nigeria called to the Nigerian Bar and holds a Master of Laws degree from Middlesex University Business School, London. She has over 25 years' experience and joined UBA UK in September 2023 when she was appointed as Head of Legal & Company Secretary.

Prior to joining UBA UK, she held various roles including, Non-executive Director, and Executive Director/COO at Transcorp Hotels Plc, Group Company Secretary, and Legal Adviser at Transcorp Group Plc. She practiced law in Nigeria both within law firms and as an in-house corporate lawyer. She has private and publicly listed company experience in Nigeria and in the UK and is a member of the Nigerian Bar Association, the Institute of Directors Nigeria, and the Chartered Governance Institute UK.

Committees

- EXCO
- Operations & Security Committee
- New Products and Activities Committee Compliance Conduct and Audit Committee

Richard Ola – CHIEF TECHNOLOGY OFFICER

Mr. Ola is a senior and very experienced IT professional with over 24 years of experience across diverse companies including Etisalat, Barclays Bank, NHS Scotland, and Telefonica O2.

Prior to joining UBA UK, he served as the CIO at Crown Agents Bank, contributing significantly to scaling the technology side of the business from startup to sustainable growth.

Richard holds a B. Tech degree in Computer Science & Engineering from Lautech, an MBA in Economics from NAU, and a master's degree from Cranfield University. He is a member of ISACA, ISC2, and a Fellow of the British Computer Society. He also holds several professional certifications, including CITP, MBCMI, SSBB, CMQ/OE, CISSP, CISM, CDPSE, CRISK, CCSP, ISO 27001 Lead Auditor, ISO 27001 Lead Implementer, CGEIT, and CISA.

Committees

- EXCO
- Operations & Security Committee IT Steering Committee

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Chairman's Statement

Kennedy Uzoka
Chairman

Chairman's Statement

The 2024 financial year was marked with several inflection points as macroeconomic and geopolitical headwinds continued to affect the global economy. The uncertainty regarding global economic outcomes and policies has been higher since the COVID-19 pandemic amid inflation shocks, rising geopolitical tensions, emerging technologies, and climate-related disasters. The financial services sector was not immune to these risks with increased regulatory scrutiny and muted economic growth contributing to a challenging year in the sector.

The Global risk environment remained elevated in 2024, as rising geopolitical tensions in the Middle East and escalation of the Russia and Ukraine conflict affected overall economic growth with significant challenges to global trade and further exacerbating asset and commodity price increases. The Central Banks of major economies continued to focus on reducing inflation and there was considerable monetary tightening across the year.

In Q4 2024, the Bank of England's Monetary Policy Committee ("MPC") cut interest rates by 0.25 of a percentage point to 4.75%. The MPC's previous cycle of rate increases – from 0.1% in December 2021 to 5.25% in August 2023 – came in response to high inflation, which peaked at 11.1% in October 2022. Since then, inflation has fallen and was 1.7% in September 2024 on the CPI measure – slightly below the MPC's target of 2%1.

In the same vein, the European Central Bank ("ECB") and The Federal Reserve ("Fed") cut rates by 50bps as the Central Banks continued to balance addressing inflation and impact of historically high interest rates and stimulating economic growth.

The impact of a slowing growth outlook in China and increasing levels of sovereign debt in the global market continued to create potential fragilities in the financial system and represented key downside risks to the global economy. Emerging markets have broadly demonstrated continued resilience as the impact of the high interest environment abated slightly following rate cuts in the major economies across the year.

> **"UBA UK strengthened its financial resilience with strong growth in capital and liquidity risk indicators"**

The Central Banks in the sub-Saharan African region continue to manage financial stability and systemic risks by administering a combination of monetary and fiscal policies designed to reduce inflation and stimulate growth.

We saw further deterioration in some of our key markets in sub-Saharan Africa, as significant foreign exchange ("FX") controls and inflationary trends impacted growth and economic performance.

Building Resilience in a challenging environment

The 2024 financial year saw a significant increase in regulatory scrutiny and financial risk affecting the banking industry. The Board continued to provide decisive and strong leadership amidst uncertainty, with increased oversight to ensure that UBA UK successfully implemented its strategic business plan. The Board supported several actions to strengthen UBA UK's financial and operational resilience including a deliberate moderation of risk assets, diversification of liquidity, and geographical concentration to address emerging risks in our business. These actions affected overall profit before tax ("PBT") performance in the year, however, the bank strengthened its financial resilience with strong growth in capital and liquidity risk indicators. The Bank invested significantly in embedding risk management processes, governance capacity, technology and operational environment with an increased focus on operational resilience and cybersecurity.

The Bank continues to drive its strategic objective of being the leading financial intermediary between Africa and global markets and works alongside UBA Group's other global business hubs in New York, Paris and Dubai, to provide world class banking services to our customers in UK, Africa and globally.

Customer 1ST Approach

The basis of the bank's strategic plan is underpinned on the Customer First ("C1st") philosophy which informs all our processes and operations. We continued to focus on delivering world class banking services to our diverse client base supporting their operations and growth.

Maintaining Our Strong Culture and Employee Engagement

UBA UK's culture is fundamental to the long-term success of the franchise and the Board invested substantial resources to embed recent improvements in the culture transformation project. The success of the UBA UK business model is underpinned by the expertise of our people and a relentless focus on delivering excellent customer service, and we have prioritised the culture pillar in strategic and oversight function. The Bank has shown remarkable displays of team, innovation and dedication from our colleagues in the face of adversity, uncertainty and a challenging environment.

Addressing Climate Change

We recognise the impact of our activities and operations on the environment and in FY2024 the bank invested significantly in the identification of financial risks arising from climate risk into the overall credit and governance framework.

I would like to thank our key stakeholders for their enduring support, and the Board of Directors for their diligence and for guiding the Bank through a challenging period. I would also like to express my appreciation to the Executive Management and staff of UBA UK, who have devoted their time serving our esteemed customers, and ensuring that we deliver successful outcomes amidst uncertainty and a difficult year across the globe.

Lastly and indeed most importantly, I would like to take this opportunity to thank our customers for entrusting us with their business throughout 2024 and beyond.

Kennedy UZOKA
Chairman and Non-Executive Director
Date: March 19, 2025

03

Strategy Report

Our Value Proposition

UBA UK's strategic focus is fully aligned with the International Banking Strategy of UBA Group and involves building the UK franchise to profitably and sustainably:

- Build a framework to support a deposit led strategy delivering growth from existing and prospective counterparties.
- Intermediation of trade, investment, capital, and development flows between Africa & the rest of the world.
- Revenue diversification and resilience.

The core businesses of UBA UK are designed to cater to the financial services needs of a diverse customer base, leveraging United Bank for Africa Plc's (or "UBA Plc") extensive global reach and expertise in the financial sector. Complimenting UBA Plc's international network in the USA, UAE and France, UBA UK is positioned to be the preferred bank for:

- African corporations and institutions looking to expand globally to the UK to access new customers, partners, and capital markets.
- International UK corporations and institutions operating in Africa or seeking partners on the continent.
- African banks and Financial Institutions operating in our target markets and looking for an international bank to support their trade and treasury activities.
- Trade beneficiaries, exporters and commodity trading houses transacting into Africa.
- Global investors seeking exposure to African financial and capital markets, as well as African institutions and investors seeking access to the international financial markets.
- Multilaterals and Development Organisations ("MDOs") operating in the UK globally and in Africa looking for a trusted and leading pan-African bank for all their banking requirements on the African continent.
- UBA Group entities based in Africa requiring access to the international financial markets or looking to extend international banking services to their wholesale customer base.

Macro-Economic Backdrop

The global economy in FY2024 remained challenging and underwhelming as the world continued to grapple with economic and political shocks from global trade and geopolitical inflection points within the year. Disinflation remained a key theme across the larger economies with monetary easing across the G3 central banks. However, the balance of risks is tilted to the downside, with prevalent geopolitical tensions, potential eruptions in the financial market which could reverse the recent easing policies. Furthermore, the issues across the Chinese property sector continue to cause concerns on global spillovers via their effect on global trade, as could rising protectionism and continued geoeconomic fragmentation; and disruptions to the disinflation process could prevent central banks from easing monetary policy, adding challenges to fiscal policy and financial stability[2]

The impact of a second Trump administration and the potential macro effects have started to impact the global economy despite the relative uncertainty of policy implementation.

The initial assessments of the new U.S. administration project that the growth effects will be minimal, inflation pressures will rise, and the Fed is likely to stop cutting rates earlier. This will lead to tighter financial conditions, a stronger dollar, and increasing complications in emerging markets macroeconomic balance. With the US$ serving predominantly in its dual role as a safe haven and a funding currency, a stronger US$ may have adverse impact on the cost of operations and the value of foreign earnings particularly for US companies, particularly exporters, with a potential knock-on effect on global trade growth, and the stock markets generally. The U.S. central bank cut interest rates to the 4.2% - 4.5% in December, however, the Fed Chair noted the possibility or reduced cuts in response to elevated inflation levels. UBA UK will continue to proactively assess the impact of the stronger dollar on its business model, emerging opportunities, and seek to adopt the most appropriate strategies to mitigate risks inherent with the stronger US$.

The recent pattern of real performance in the three largest economies is carrying on. The U.S. continues to outshine its peer group. GDP rose by 2.8% year on year in the third quarter (Q3), down fractionally from the second quarter (Q2), since services spending and labour demand remain strong. The eurozone economy continues its modest rebound from a borderline recession centered on Germany. GDP growth reached 1.6% quarter on quarter in Q3, also accompanied by strong services spending and labour demand. In China, growth is running below the official 5% target for the year, reflecting the ongoing effects of the property sector overhang. The policy response remains measured and consumer confidence and spending are still weak. In Q4, the U.K. government announced in its budget a raft of measures that will see public-sector spending increase by slightly more than 2% of GDP over the next five years3.

The UK economy recovered in the year, with the growth forecast increasing to 1% and expectations for 2025 and 2026 at 1.5%. The new government plans to increase growth potential through public and private investments and ambitious reforms to parts of the economy, such as the planning system. Inflation declined to the Bank of England's ("BoE") 2% target in May, with the expectation to close at 2.6% in 2024 and 2.3% in 2025, just above the forecast 2.4% and 2.1%, respectively, for the 'AA' median4.

In Nigeria, our Parent country and our largest market, foreign exchange shortages continue to weigh on economic activity and the Naira has continued to depreciate significantly on the back of further foreign exchange liberalisation. The Government implemented significant reforms to support the restoration of macroeconomic indices with specific policies targeting inflation reduction and foreign exchange stability

Inflation is forecast to remain high in 2025, although it is expected to ease moderately compared to 2024. The inflation rate is projected to average 31.81%, a 1.75% improvement from an estimated average of 32.77% in 20245. During its most recent Monetary Policy Committee ("MPC") meeting in February, the central bank implemented a 25 basis-point rate hike, raising the monetary policy rate to 27.5%to further moderate persistent inflation.

Nigeria successfully priced US$2.2b in a 6.5-year and 10-year Eurobonds, with peak order Books in excess of US$ 9.0 Billion, which demonstrates an expression of continued investor confidence in the country's macro-economic policy framework and fiscal and management.

Despite the challenging global operating environment, the impact of regulatory requirements resulting in conservative risk weighted assets growth, UBA UK has continued the path to demonstrate financial and operational resilience. Furthermore, the Bank continued its investment and focus towards a sustainable and profitable franchise focusing on our commitment to our customers, our people, and wider stakeholders.

Building Resilience and Sustaining Growth

UBA UK launched a 3-year strategic plan (FY2024 – FY2026) with a clear objective to build resilience and consolidate the growth and profitability in the bank. The plan follows from the success of the previous years, where we entrenched the viability of the business model and demonstrated sustainable profitability.

Our Strategic Intent

The strategic intent of UBA UK is demonstrated across three distinct areas:

1. Be the industry recognised leader in African intermediation; providing banking services to support our customers and counterparties in donor flows, payments, treasury, and brokerage transaction offerings to and from Africa and African related businesses. The strategic objective is to position UBA UK as the go-to bank for African intermediation.
2. Be the market leader in transaction banking, delivering a robust product suite to support our license permissions, including transaction-driven services such as brokerage (FX, Fixed Income), correspondent banking (Payments, Treasury solutions) and Trade Finance services (Letters of credit ("LC"), confirmations).
3. Win global and local corporate mandates by providing world class corporate banking services and supporting the UBA vision of building a financial services institution to serve African and international markets delivering first class customer service as a product differentiator across regions and countries of presence.

People

At UBA UK, our people strategy is designed to support our strategy to be the premier conduit for international business between Africa and the rest of the world. Central to this strategy is our commitment to attracting and nurturing a diverse and talented workforce. We understand the importance of having a team that is not only proficient in international banking but also deeply knowledgeable about African markets. This dual expertise is crucial as we strive to bridge these two dynamic financial worlds.

Our approach focuses on talent acquisition and development, where we aim to bring in professionals from varied backgrounds with specialised skills. We place a strong emphasis on continuous learning and development, ensuring that our employees are always at the forefront of industry knowledge and practices.

Creating a culture of excellence and innovation is key to our strategy. We encourage our team to be agile, forward-thinking, and innovative, qualities essential for understanding and navigating the complexities of the focus markets. This culture fosters an environment where novel solutions emerge, facilitating the smooth intermediation of trade and investment flows between Africa and the global market.

Last, our people strategy is a fundamental component of UBA UK's ambition to be a leading pan-African bank in the international banking sector. By investing in our people, we are not just enhancing our capabilities but also ensuring that we remain at the forefront of delivering innovative banking solutions to our clients. This approach is instrumental to achieving our vision of facilitating trade, investment, and development flows, thereby solidifying UBA UK's position as a key player in the international financial market.

Customers

The Bank continued to invest in various aspects of its technology environment with the objective of embedding operational efficiency, meeting regulatory requirements, and providing a compelling service delivery to the Bank's clients. Investments were made in key technology (hardware/software) components to drive the automation of key processes and improve offerings. We take pride in our customer-centric approach, ensuring that each client receives tailored support and advice. Our dedicated teams work tirelessly to understand the unique needs of each customer, providing them with innovative financial products and services. This approach has not only fostered deep, lasting relationships with our clients but has also positioned UBA UK as a trusted partner in their financial journeys.

Suppliers

The Board recognises the key role our suppliers play in meeting the requirements of our customers and other stakeholders. The Board receives metrics in relation to payment practices.

Regulatory and Compliance Risk

UBA UK operates in a highly regulated environment and regulatory and legislative changes or non-compliance with them have the potential to significantly impact the financial performance and/or reputation of the Bank. UBA UK actively monitors regulatory and legal compliance and new developments whilst maintaining a regular dialogue with relevant regulatory authorities. The Bank believes its simple business model, robust governance and controls, strong liquidity and capital position means that it is well placed to adapt to regulatory changes.

UBA UK has no tolerance for regulatory breaches nor any relationships with parties that do not comply with the Bank's financial crime policies, procedures and controls. The Bank is committed to maintaining effective financial crime systems and controls and continues to look for ways to enhance our financial crime risk management framework and strengthen the governance processes including developing enhanced risk monitoring and management capabilities, establishment and communication of appropriate policies and procedures and delivery risk-based training to employees.

Conduct and Culture Risk

The Board sets the tone for the Bank's culture based on its values and vision, including maintaining the highest standards of integrity in the Bank's dealings with its customers and other stakeholders. Several of the Bank's Policies regularly reviewed and approved by the Board are relevant to the maintenance of such standards. These are supported by regular management reporting to the Board on matters including conduct training, customer complaints and breaches. The Bank has a whistleblowing policy, approved by the Board, under which staff are supported in reporting any knowledge or suspicion of criminal activity or other wrongdoing to the Whistleblowing Champion.

The Bank has taken several steps to ensure a workplace culture that promotes positivity and ethics. These measures include the implementation of an external whistleblowing hotline mechanism, which can effectively address any concerns or issues that may arise. Moreover, a comprehensive review of the culture and conduct within the Bank has been undertaken, and the insights gleaned from these evaluations will be seamlessly integrated into our operations. This commitment underscores the Bank's dedication to fostering a positive workplace environment conducive to both staff and customer satisfaction. The Bank also seeks to ensure that employees continue to deliver on 6 key pillars, which are embedded in the culture of the organisation, namely, Openness, Integrity, Performance, Professionalism, Service and Creativity.

2024 Business Review

The 2024 financial year was marked with mixed economic and political indicators, as the global economy grappled with increasing macro headwinds and growing political tensions. There was an overall push to risk averse sentiments amid slowing growth and a volatile geopolitical landscape. Economic projections across the globe were in line with general expectations with Central Banks continuing to implement restrictive monetary policies to manage inflationary trends. The US, UK and Europe witnessed rate cuts in 2024, as the response to the developed markets moderation in growth and overall GDP. UBA UK was focused on implementing key strategic objectives in FY 2024, despite a heightened risk environment, weak global economic growth, and significant credit deterioration in our major markets.

We ended the FY2024 with a total PBT of US$12.9m (2023: US$17.9m) as the impact of the challenging economic conditions in our core markets affected operating income and our overall net interest margin. Notwithstanding the drop in profitability, over the last twelve months, we have made continued operational progress and built resilience in our risk management, governance and technology operations. UBA UK remained focused on the implementation of the FY2024 strategic plan, with notable improvement in financial resilience metrics as the bank showed strong capital and liquidity indices in business as usual ("BAU") and under stress scenarios. The Bank also improved diversification of liquidity with additional liquidity providers and reduction of overall concentration risk to further support the FY2024 strategy.

We aligned our business and risk appetite to the increasing credit risk in our key markets and moderated our overall exposure in line with economic and regulatory requirements. Despite the dampening effects of the economic challenges, UBA UK improved in key financial performance indicators, on the back of an improved contribution from our Assets and Liabilities Management strategies, which mitigated the impact of a reduction in the Bank's risk weighted assets in the year.

Total assets decreased 23% year-on-year from US$612m in 2023 to US$469m in 2024. Operating income reduced by 10% from US$31.2m in 2023 to US$28.1m in 2024.

The Bank expects to continue building resilience in its operations to support its growth ambitions In line with our overall strategy of building sustainability in our earnings through diversification. The Bank continued to invest in scaling up the business development and client facing teams to allow it to broaden the client base as well as looking to enhance the current suite of products and service delivery.

2024 Financial Performance

The financial performance metrics are presented in Table 1. The Bank reported year-on-year decrease of 10% for operating income, 10% for net interest income, and 24% for non-interest income. Non-interest income is made up of other income and net fees and commission income. The impact of reduction in overall risk weighted assets and the volume of trade is evident in the operating income performance as the bank repositioned and adjusted to the challenges in the sub-Saharan African market. Furthermore, the bank was successful in demonstrating business resilience in the year while adjusting to the new inflationary, regulatory, and geopolitical challenges.

Operating expenses grew year-on-year by 14%, reflecting the overall impact of inflation, and the increase in cost of services on the Bank's expenses. This increase also includes additional costs relating to building the necessary infrastructure to cater to anticipated regulatory requirements with the roll out of Basel 3.1 building efficiency in the operating framework, risk management and governance of the Bank. The impact of these resulted in a PBT of US$12.9m which represents a 28% decrease on the FY2023 performance of US$17.9m.

Regulatory capital and liquidity levels throughout the year were within internal risk tolerances and regulatory thresholds.

Shareholder's equity, term deposits and cash collateral continued to provide the bulk of the Bank's funding.

High levels of liquidity and capital were maintained throughout the year, well above internal and regulatory requirements. Available liquidity comprised both overnight balances at Investment grade rated financial institutions and high-quality liquid assets.

Table 1: Financial performance metrics

US$'000	2024	2023
Total operating income	28,080	31,170
Net interest income	25,725	28,689
Non-interest income	2,389	2,727
Total operating expenses	15,161	13,275
Profit before tax	12,919	17,895
Equity	79,309	75,067
Total assets	469,702	611,657
Return on total assets	2.75%	2.93%
Capital adequacy ratio	44%	48%
Liquidity coverage ratio	353%	229%

Asset Quality

Performing Exposures.

High-quality liquid assets comprise of US Treasuries, while overnight balances are maintained with investment grade rated international financial institutions.

Trade loans to Group companies and selected Emerging Market financial institutions are predominantly cash collateralised. Off-balance sheet trade finance assets comprise mainly of the confirmation of trade finance obligations issued by UBA Plc and selected third party institutions and are predominantly cash collateralised.

During 2024, investments consisted of Eurobonds issued by Sub-Saharan sovereigns and financial institutions. With exception of the restructured Eurobond issued by the Sovereign of Ghana, and the Eurobond issued by the Ecobank, Nigeria, all remaining exposures were performing and classified as Stage 1. The Bank exited the Arab Republic of Egypt bond in November as part of its overall risk rationalisation of the investment book.

In 2024, Nigeria, our core market and the home of our Parent, UBA Plc, has undergone material political and economic challenges. The Government implemented significant reforms to support the restoration of macroeconomic indices with specific policies targeting inflation reduction and foreign exchange stability. Exchange rate and monetary policy frameworks have been adjusted, fuel subsidies reduced, coordination between the Ministry of Finance and the Central Bank of Nigeria ("CBN") improved. The Central Bank financing of the government scaled back, and administrative efficiency measures were being taken to improve the overall rise of the currently low government revenue, as well as oil production.

The impact of these credit events has been assessed as positive by the external rating agencies. On 1-Nov-24, FITCH changed its outlook to "Positive" and affirmed Nigeria's "B- "Long-Term Issuer Default rating.

The above-mentioned credit changes are fully reflected in our Credit Risk provisions.

The Bank also continues to apply a weighted average approach to the calculation of its expected credit loss under IFRS 9.

Potentially Impaired and Watch-List Assets

At the beginning of 2024, the Bank maintained US$5.95m investment in a Eurobond issued by Ecobank Nigeria, maturing in Feb-26. Following two credit downgrades by FITCH, from "B-"to "CCC+" in Feb-24, and subsequently to "CCC-" in Jul-24, the Bank sold US$2.95m and reduced its investments to US$3mat the end of the year.

As per the Bank's internal policy, the asset is classified as Stage 2. Given the unfolding events in the Middle East, and as part of its overall risk rationalisation of the investment book, the Bank also fully exited its US$9.275m Stage 2 holding in the sovereign Eurobond issued by the Arab Republic of Egypt.

Purchased/Originated Credit impaired instrument ("POCI")

UBA UK held units of the Ghana 0 04/07/25 Bond (Old Bond) in the Amortised Cost portfolio in the sum of US$4.4m which was recognised as Stage 3 (Non-performing) under IFRS 9 with an ECL of $2.3m. The bond was withdrawn and replaced with the issuance of two separate bonds with new maturities Ghana 0 07/03/26 (US$0.2m) and Ghana 1.5 01/03/37 (US$4.4m) (New Bonds). The bonds were issued with the fair value of the bond calculated at US$2.0m representing a 44%discount to the par value. The new bonds are recognised as a POCI and treated in line with the POCI policy, and IFRS9 requirements.

Theresa Henshaw

Chief Executive Officer

Date: March 19, 2025

04

Directors' Report

Directors' Report

The Directors present their annual report together with the audited financial statements for United Bank for Africa (UK) Limited ("UBA UK" or "the Bank"), for the year ended 31 December 2024.

Principal Activities

UBA UK is a wholesale deposit-taking financial institution, authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA.

The Bank is a wholly owned subsidiary of United Bank for Africa Plc (or "UBA Plc"), a leading pan-African financial institution, headquartered in Lagos, Nigeria.

UBA UK drives revenues by delivering a range financial services to international and sub- Saharan African banks, corporations, institutions, and international organisations. The Bank is principally involved in financing trade flows between the UK and Africa by advising and confirming letters of credit and providing trade loans and foreign currency services.

UBA UK extends its product offerings to UBA Plc and other subsidiaries within the UBA Group, as well as other financial institutions and large corporates.

Corporate Governance Framework

UBA UK is dedicated to upholding strong corporate governance, recognising that a well- established governance culture is essential for the Bank's long-term success. Our Corporate Governance Framework defines the governance structure and Terms of Reference for the Board and its Committees, ensuring a solid and effective governance structure that directs and monitors our operations.

Board Composition

In the year 2024, there was one retirement from the Board. On 30 June 2024, Mr Uche Ike retired as a Non-executive Director.

By the year ended 31 December 2024, the Board comprised nine (9) Directors, eight (8) non- executive Directors, and one executive Director. Of the non-executives, four are Independent non-executive Directors. The Executive Director is the CEO.

The Directors provide strategic direction, expertise, and oversight while the independent non- executive directors ("INEDs") bring independent judgment and objectivity to the Board by providing independent oversight and constructively challenging executive management in their pursuit of the stated corporate objectives. In accordance with the Directors Screening and Appointment Framework, all Board and Committee appointments are based on merit and skills and following satisfactory background screening.

Board Effectiveness Review

The Board, its committees and its members are subject to an annual performance review and receive initial and ongoing training to enhance their skillset in the performance of their duties. The 2024 Board evaluation was conducted by Deloitte LLP. Key strengths identified include:

- **Strong individual skills and experience** - The Board comprises individuals with extensive expertise in banking, finance, risk management, and regulation, both within the UK and internationally, which enhances the Board's ability to effectively oversee the Bank's operations.
- **Board's alignment with Group** - The review identified a strong relationship and alignment between UBA UK and its parent Group, supported by the presence of four Group Non-Executive Directors ("NEDs") on the Board. Interviewees spoke positively about the valuable insights these Group NEDs bring to discussions and decision-making.
- **Improved Board processes and support** - Documentation and interview feedback highlighted significant progress in Board processes and support, such as with the timely circulation of Board packs, effective agenda setting, and the quality of meeting minutes.
- **Quality of Challenge** - Interviewees and survey respondents highlighted the Board's ability to

effectively challenge management and address emerging issues. This capability is consistently documented in meeting minutes, reflecting the Board's proactive approach to governance and oversight.

Directors' Training

In 2024, Board members received training on ESG, IT & cybersecurity, Fire Drill, Regulatory framework, ICAAP/ILAAP and recovering planning Governance, Culture, Conflict of Interest, AML and Financial Crime, Senior Managers Certification Regime, ICAAP, ILAAP and C-SREP.

Meetings

The Board met every quarter, and also on 3 other occasions as the need arose. The Bank had an Annual General Meeting in September 2024. Individual Directors' attendance at Board meetings throughout 2024 is set out in the table below:.

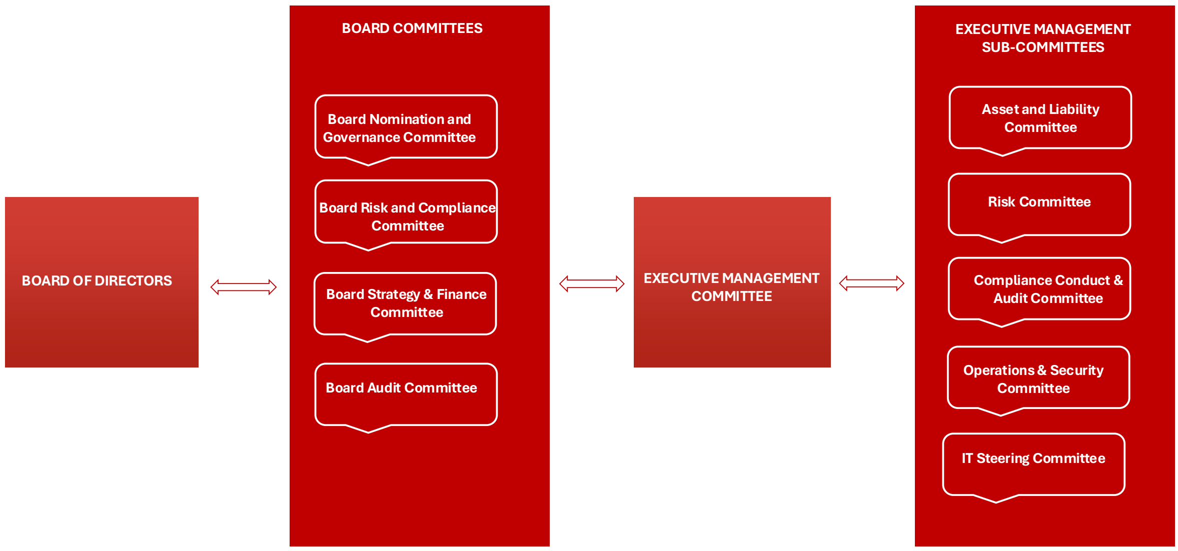
		Scheduled Board meetings attended/requiring attendance	Adhoc Board meetings attended/requiring attendance	General Meetings attended/requiring attendance
Chair	Kennedy Uzoka	4/4	3/3	1/1
Independent Non-Executive Directors	John Coulter	4/4	2/3	1/1
	Ian Greenstreet	4/4	3/3	1/1
	Dr. Nashwa Saleh	4/4	3/3	1/1
	Christopher Low	4/4	3/3	1/1
Non-Executive Directors	Uche Ike†	1/4	3/3	1/1
	Alexander Trotter	4/4	3/3	1/1
	Sola Yomi-Ajayi	4/4	3/3	1/1
	Oliver Alawuba	4/4	3/3	1/1
Executive Director	Theresa Henshaw	4/4	3/3	1/1

† Uche Ike retired from the Board on 30 June 2024

Board Committees

The Board is supported by four (4) Board sub-committees, which monitor and provide oversight of specific aspects of the governance framework. Appropriate policies addressing adherence to the regulations that govern the Bank are reviewed and approved by the Board regularly. Additionally, the Board and governance framework is subject to regular audits.

The Board committees and a summary of the functions delegated to each of them are set out below:



The Board committees are as follows:

- **Board Nomination and Governance Committee ("BNGC")**

The BNGC is the Board committee with overall responsibility for the Bank's governance structure, its framework, and the appointment of key senior personnel. It also has oversight responsibilities for the Bank's organisational structure, remuneration manpower, and succession planning. The BNGC comprises five (5) directors and is chaired by an INED. It meets at least four times per year.

- **Board Risk and Compliance Committee ("BRCC")**

The BRCC is the Board committee responsible for risk and compliance.

The BRCC is responsible for oversight of the Bank's risk appetite, its risk management framework, systems, policies, and procedures. The committee also oversees the Bank's overarching risk culture and compliance function.

The BRCC comprises six (5) Directors and is chaired by an INED. It meets at least four times per year.

- **Board Strategy and Finance Committee ("BSFC")**

The BSFC is the Board sub-committee with overall responsibility for overseeing the management and control of the financial affairs and strategy of the Bank, including the development and implementation of the strategic plan, reviewing the overall financial position and performance of the Bank, and system and infrastructure needs. The BSFC comprises six (5) Directors and is chaired by a NED. It meets at least four times per year.

- **Board Audit Committee ("BAC")**

The BAC is the Board sub-committee responsible for monitoring the integrity of the financial statements, monitoring and reviewing the effectiveness of the Bank's internal financial control and the Bank's internal and external audit functions and reviewing and monitoring the External Auditor's independence and objectivity and the effectiveness of the audit process. The BAC is comprised of 5 (five) Directors and is chaired by an INED. It meets at least four times per year. In the year 2024, the BAC was reconstituted as Sola Yomi-Ajayi was appointed a member of the Committee and a former member, Uche Ike retired from the Board.

Board Committee Changes

In the year under review, following the retirement of Mr. Uche Ike as a Director of the Bank, the Board approved changes to the composition of its committees. The previous and current Board and committee compositions as at year end 2024 are set out in the table below:

		Prior to 28 June 2024				After 28 June 2024			
		BAC	BNGC	BRCC	BSFC	BAC	BNGC	BRCC	BSFC
Chair	Kennedy Uzoka								
Independent Non-Executive Directors	John Coulter	●	○			●	○		
	Ian Greenstreet	○		●		○		●	
	Nashwa Saleh		●	○			●	○	
	Christopher Low	●			●	●			●
Non-Executive Directors	Uche Ike	●	●	●					
	Alexander Trotter	●			●	●			●
	Sola Yomi-Ajayi		●	●	●	●	●	●	●
	Oliver Alawuba		●	●	○		●	●	○
Executive Directors	Theresa Henshaw			●	●			●	●

○ Committee Chair

● Committee Member

The Board has delegated day-to-day management responsibilities of the Bank to the Executive Management team, who operate and manage the Bank through the following executive committees:

- **Executive Management Committee ("EXCO")**

The EXCO is the executive body of the Bank with overall responsibility for day-to-day management. The EXCO recommends the policies, objectives, and strategy of the Bank to the Board for approval and ensures that the Bank is managed in accordance with the agreed policy framework, strategy, and risk appetite, and in a sound, prudent, and ethical manner in accordance with all relevant laws, regulations and guidance. EXCO is chaired by the CEO and meets twice every month. EXCO has the following sub-committees:

- **Asset and Liability Committee ("ALCO")**
  The ALCO reports to the EXCO and has been delegated the responsibility to manage and monitor the Bank's balance sheet, including its funding and liquidity profile, and capital position. ALCO is chaired by the Chief Executive Officer ("CEO") and meets monthly.

- **Risk Committee ("RC")**
  The RC reports to the EXCO and has been delegated the responsibility of managing and monitoring all the risks faced by the Bank across all businesses. This includes the continuous monitoring of the existing risk profile of the Bank and the approval of new credit exposures or any other type of risk-taking. The RC is chaired by the CRO and meets monthly.

- **Compliance, Conduct, and Audit Committee ("CCAC")**
  The CCAC reports to the EXCO and has been delegated the responsibility of managing and monitoring the Bank's overall compliance framework, which includes conduct, anti-money laundering, and financial crime risks. Furthermore, the Committee is responsible for overseeing the Bank's prevention of tax evasion, whistle-blowing framework, and Internal Audit. The CCAC is chaired by the Head of Compliance and MLRO and meets monthly.

- **Operations and Security Committee ("SC")**

  The SC reports to the EXCO and has been delegated the responsibility to It is responsible for Operational Resilience and the overall security environment within the Bank. This includes:

  Development, monitoring compliance and enforcement of Security related policies and procedures including the Business Continuity Policy, Information Security policy and standards covering the safeguards and controls over the computer systems e.g. logical access, maintenance, backups, virus protection, etc; Premises procedures covering access to the premises, offsite storage facilities, emergency and fire alarms, staff accesses within the building, etc; Personnel procedures. e.g. defining the level of references required, exit procedures, etc. SC is chaired by the COO

- **IT Steering Committee ("SteerCo"):**

  The SteerCo reports to EXCO and is responsible for overseeing and monitoring contact with relevant external parties in connection with operational matters including without limitation, law enforcement agencies, information service providers, telecoms companies, security advisors etc, Providing advice to management on significant operational issues, Project Post Implementation Reviews, developing Bank level IT strategies and plans that ensure the cost- effective application and management of IT systems and resources throughout the organisation, translating those strategies and plans into an overall IT Plan for presentation to EXCO and the BRCC, designing, implementing and managing the IT governance framework to deliver the Bank's objectives. The steerco is chaired by CFO.

- **New Products and Activities Committee ("NPAC")**

  The NPAC reports to the EXCO and has been delegated the responsibility for reviewing and approving all new products and activities. The NPAC is chaired by the CRO and meets as and when required.

Principal Risks and Uncertainties

Effective risk management is essential in delivering sustainable performance for all our stakeholders.

On an annual basis the Board reviews and approves enterprise-wide risk categories, principal risks, which are then used to monitor and report the risk exposures posing the greatest impact to the Bank. In 2024, those risks are detailed below as well as in the Risk Management note 31.

Strategic (Business) Risk:

The risk of potential losses based on decisions at a strategic level. These include failures in business strategy or a business plan as they relate to either internal or external forces.

Performance: There were no fundamental changes made to the Bank's operating business model or the 3-year strategic business plan. It is worth noting that the Bank does not pursue the asset-led growth strategy. The focus remains on growing non-interest income portion of the revenue and diversification of funding. Sub-Saran trade services and corporate banking remain the Bank's strategic priorities.

The key indicators of the Bank's performance are monitored by the Board on a quarterly basis and by management monthly. Those relating to profitability are Pre-tax Return on Equity and Return on Total Assets. The key indicator of efficiency monitored by the Board is the Cost-to- Income ratio, while a measure of diversification is the Non-interest Income to Total income ratio. The ratios are detailed in the table below:

	2024	2023
Pre-tax return on equity	16%	24%
Cost to income ratio	54%	43%
Non-interest income to total income	8.51%	8.75%
Return on total assets	2.75%	2.93%

In addition to the financial performance indicators the Bank also considers non-financial indicators where appropriate, including technology and human resources related metrics.

Risk Management Actions:

The Board Risk Appetite Statement provides clear and strong steer for the business.

The Bank's business and risk strategies remain fully aligned.

Through the year, the Board and the executive management worked on improving the Bank's governance and risk, while the executive team was strengthened with the hire of an independent Internal Control, Audit and Governance specialist, to ensure embeddedness of these improvements.

Capital Risk

The risk that the Bank has an insufficient level or inappropriate composition of capital to support its regular business activities and to meet its regulatory capital requirements both under normal operating environments or stressed conditions (both actual and as defined for internal planning or regulatory testing purposes).

Performance: The Bank maintained its strong capital position in 2024 with a CET1 ratio of 44%, having received additional capital injection of US$12m (Twelve Million Dollars) from its sole shareholder and parent, UBA Plc in Q2 2023.

In Q3 2024, the Bank underwent its scheduled Capital Supervisory Review and Evaluation, the process was conducted by the Prudential Regulation Authority. As of the date of this report, the Bank remains significantly ahead of its regulatory capital requirements.

Risk Management Actions:

Downside risks from economic and regulatory headwinds are being closely monitored.

Pillar 2 capital buffer is maintained to fully account for the unexpected losses in the Bank's legacy investment portfolio.

Continuously improvements are sought to the risk management practices, Internal Capital

Adequacy Assessment Process ("ICAAP") and regulatory reporting quality.

Liquidity & Funding Risk

Liquidity and funding risk is defined within the bank as the risk that the firm is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets. Also, the risk that the Bank lacks access to stable funding sources and may not be able to re-finance or raise new debt or capital under acceptable terms and conditions.

Performance: The Bank maintained its strong liquidity position in 2024. Its liquid assets continue to exceed the regulatory minimum and internal risk appetite, with a liquidity coverage ratio (based on monthly rolling average from the previous 12 months) of 353% (2023: 229%).

One of the Bank's ongoing priorities is further diversification of its funding sources. UBA plc continues to be the Bank's main source of funding, providing both the evidence of the shareholder's commitment to the Bank but also presenting a significant concentration risk.

Risk Management Actions:

The Bank holds a substantial buffer of High-Quality Liquid Assets ("HQLA") to ensure that it meets all funding obligations and commitments as they fall due in both normal and stressed conditions. The Asset and Liability Management Committee ("ALCO") oversees the Bank's liquidity position.

Daily reports are run by the Finance department, ensuring that the Bank meets minimum liquidity parameters set by the regulator and the Risk department runs daily liquidity reports against agreed limits and early warning indicators.

It is the Bank's policy to match the maturities and currencies of assets and liabilities as far as practicable.

The annual regulatory Internal Liquidity Adequacy Assessment Process ("ILAAP") documents the Bank's approach to managing liquidity risk.

Credit Risk

The Risk of loss to the Bank from the failure of clients, customers, or counterparties, including sovereign, fully to honour their contractual obligations to the Bank, including the full and timely payment of principal, interest, collateral and other receivables.

Performance: The performance of the credit portfolio during 2024 was influenced by a mix of global economic instability (high interest rates, inflationary pressures, currency fluctuations and volatility in energy and oil prices), regulatory interventions (Central banks to combat inflation and currency weakness), and geopolitical factors (e.g., Russian invasion of Ukraine, conflict in the middle east, ongoing conflicts in the Sahel region) varying across different sectors and asset classes.

In the face of economic challenges, the quality of the Bank's assets was under pressure but remained a healthy outlook with no new non-performing exposures. The Ghana bond was restructured in October 2024 and is now recognised as a purchased or originated credit impaired "POCI" exposure. Main markets of higher risk exposures gradually improved in credit quality (e.g. upgrades in sovereign long term issuer ratings for Egypt and Nigeria, debt restructuring in Ghana).

Risk Management Actions:

The Bank manages its credit exposures following the principle of diversification across geographies and focus on its core products and markets.

Managing credit risk effectively is fundamental to Bank's strategy and its operating goals. This approach to risk is founded on an effective control framework and with risk appetite embedded in policies, authorities and limits across the Bank.

Risks are identified, managed and mitigated using comprehensive Risk Management Framework providing a clear framework for effective decision making.

Extensive and thorough credit processes and controls are set to ensure effective risk identification, management and oversight.

In order to effectively manage risk, appropriate monitoring processes are set through credit policies and procedures, prudent lending criteria, all aligned with Board approved risk appetite.

Early identification of deterioration of asset quality is in place leading to mitigation techniques. These include the use of netting agreements, cash collateral and delivery vs payment settlement arrangements, among others.

Market Risk

Market risk is defined within the Bank as the risk of losses in on and off-balance sheet positions arising from adverse movements in market prices including but not limited to interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlation.

Performance: The Bank does not have a trading book nor is it active in equity or commodity markets. It does have exposure to Bond price risk, which arises due to the Bank holding a portfolio of high- quality liquid fixed income instruments. These are held primarily for the liquidity management purposes. Investment assets accounted for on an amortised cost basis are not subject to daily market price movements.

Interest rate risk, which arises due to a different impact of the changing interest rates on our floating and fixed interest rate assets and liabilities.

FX risk, which arises from foreign currency balances arising from the net of assets and liabilities comprising the balance sheet. There are no open market risks in the Bank's FX brokerage business as it is back-to-back. The Bank actively hedges foreign exchange risk arising from the difference between its expense base and reporting currency. These are economic hedges.

Risk Management Actions:

A quantitative assessment of high-quality liquid bond price risk is conducted daily through scenario stress tests for the fixed income book and reviewed on a monthly basis by the Risk Committee. Interest rate sensitivity analysis is also performed daily.

The Bank monitors the expected change in the value of all its assets and liabilities comprising the balance sheet for a +100 basis point move in interest rates daily. Also, a number of stress tests are run daily, including but not limited to the parallel shift in interest rates of 200 basis points in either direction to determine the impact on balance sheet values and net income.

In addition, it is the Bank's policy is to match the currencies and assets and liabilities with strict asset and liability management guidelines.

With exception of structural hedges, no Open Currency Positions are permitted.

Interest Rate Risk in the Non-Trading Book

Performance: This risk stems from two primary sources i) the asset liability mismatch in the Bank's legacy investment in African Eurobonds: the bonds (assets) have medium-term maturity while the Bank's funding is largely short term (< 12 month) and ii) encumbered deposits from Group entities which have a shorter repricing profile that the assets collateralised by them.

Risk Management Actions:

In May 2023, PRA updated its Supervisory Statement ("SS") on the Internal Capital Adequacy Assessment Process ("ICAAP") and the Supervisory Review and Evaluation Process ("SREP"), the SS31/15.

The latter now requires that UK banks "immediately notify the PRA if its economic value of equity ("EVE") would decline by more than 15% of its Tier 1 capital as a result of the application of the interest rate scenarios".

In addition to the PRA-prescribed scenarios, the Bank devised its own set of stresses, which are run at different frequencies, to ensure compliance with the Board's risk appetite statement. The latter is expressed both in terms of the risk to economic value and in terms of the risk to earnings.

Operational Risk

Operational risk is the risk of losses caused by flawed or failed processes, policies, systems, or events that disrupt business operations where the root cause is not due to credit or market risk. This type of risk is controllable but not guaranteed to be eliminated.

Performance: In 2024 operational risk profile of the bank has improved, when measured in terms of operational losses: 2024 operational loss US$51k vs 2023 US$124k. Other factors driving this improvement were the full embedment of the Operational Risk Management ("ORM") framework on cloud-based system including conducting the 2024 Risk Control Self-Assessment ("RCSA") using RiskSmart. There was also an increased

ORM cultural awareness amongst staff with lunch and learn sessions introduced, along with induction training, and annual mandatory ORM training.

Risk Management Actions:

The 2024 RCSA has revealed the Top 3 operational risks as:

- People Risk – linked to high workload and key person dependency. This is managed through the revised Manpower plan.
- Change Management / Core Systems Resilience - linked to slower than desired recovery from issues, whether technical, operational, or external. Subsequent DR testing has been successfully conducted, and many strategic projects are in flight to remediate these risks.
- Transaction Processing & Execution Risk – linked to semi-manual processes and the associated probability of Human Error. Additional training is being made available and improvements to documentation of procedures introduced.

In addition to the principal risks, through the year, the Board tightened controls to individual components of Operational Risk such as Compliance Risk, and Regulatory Compliance, People Risk, Conduct Risk, Climate Risk, ESG and Sustainability Risk, Data Management & Information Risk, and Information Security Risk, including Cyber.

Information and Cyber security received particular attention with additional resources and tools deployed to further strengthen the bank cyber security and resilience postures. The bank reviewed its preparedness for CBEST assessment of cyber resilience. The ISO 27001 certification is being renewed to the newest version of the standard, to keep pace with standard and to improve protection of our information asset.

The Board of Directors is also pleased to report significant advancement in our technological capabilities through strategic cloud transformation and infrastructure modernization initiatives and maintains unwavering commitment to safeguarding the Bank's information assets and strengthening our cybersecurity posture. During the reporting period, we have substantially enhanced our security framework through strategic investments and comprehensive policy updates.

Operational Resilience

The risk that the Bank is unable to adapt rapidly to a changing environment or to operate its business in the event of disruptive events. There is a strong overlap with Operational Risk and Technological Resilience.

Performance: The Board of Directors is committed to maintaining robust operational resilience across all facets of our banking operations. During the year under review, we have significantly enhanced our operational resilience framework to meet evolving regulatory requirements and strengthen our response capabilities.

Risk Management Actions:

Strategic Framework Enhancement

Our operational resilience framework has been comprehensively strengthened through:

- Implementation of an advanced resource mapping system for Important Business Services
- Enhanced alignment with current regulatory guidance
- Refined impact tolerance assessments
- Rigorous scenario testing and vulnerability analysis Regulatory Compliance and Service Assessment

In compliance with FCA SYSC 15A.2.4 requirements, we have:

- Conducted a thorough reassessment of Important Business Services
- Developed detailed impact tolerance thresholds
- Established clear metrics for measuring service disruption
- Implemented robust monitoring and reporting mechanisms Impact Tolerance Framework

Our Impact Tolerance assessments have been enhanced to:

- Independently evaluate FCA and PRA objective impacts
- Provide comprehensive justification for assessment criteria
- Consider broader financial stability implications
- Establish clear recovery time objectives Resilience Testing and Scenario Analysis

We have executed comprehensive scenario testing covering critical operational risks:

- Advanced cyber-attack simulations
- Infrastructure failure scenarios
- Personnel availability challenges
- Technology platform resilience assessments Forward-Looking Initiatives

For 2025, we are implementing several strategic initiatives:

- Enhanced collaboration with IT Group Cyber teams
- Integration of external specialist expertise
- Advanced Crisis Management Team exercises

- Comprehensive cyber resilience capability assessment
- Expanded stakeholder engagement in resilience planning Continuous Improvement

Our commitment to operational resilience is reinforced through:

- Regular policy reviews and updates
- Continuous stakeholder engagement
- Integration of industry best practices
- Enhanced crisis management capabilities Proactive risk identification and mitigation

Financial Risks arising from Climate Change

The risk that the Bank fails to consider and to address the financial risks associated with Climate change when assessing its Strategy, Financial and Operational Resilience.

The Bank recognises Climate Risk as one of its principal risks and it is embedded within the Bank's Risk Appetite Statement (RAS). The Board and Board committees manage climate risk through the executive governance committees of Enterprise-wide Risk Management, Executive Risk Committee and the Engagement and ESG Committee. These governance committees are chaired by the CRO and the Head of Compliance with support from the EXCO, and their deliberations and recommendations are presented to the Board Risk and Compliance Committee.

The Bank's Risk Appetite Statement (RAS) includes both qualitative and quantitative metrics on Climate Risk, Sustainability and ESG. The RAS metrics are discussed at each Executive Risk Committee monthly and the Board Risk and Compliance Committee on a quarterly basis. In addition, the Bank's Customer Onboarding Procedure requires that the Bank considers and screens for ESG risk factors as part of the KYC process. The Procedure outlines the steps for obtaining and reviewing ESG questionnaires during the CDD process. For all new customers, the ESG questionnaire will be considered at the Engagement and ESG Committee.

From Credit Risk perspective, the bank assesses climate as low in its core business lines as:

- (a) UBA UK's trade finance exposures in the SSA are short term, self-liquidating and taken with the financial institutions independently assessed by the risk management as not vulnerable to the immediate effects of climate risk change;
- (b) UBAUK's brokerage exposures are short term and back-to-back. Credit Risk Management have also not identified any immediate climate vulnerabilities there;
- (c) Investment bond portfolio, with its 3-year average weighted life, is maturing without being replenished. Credit exposures are to the SSA Sovereigns and Banks which have sufficiently diversified economies and revenue streams respectively, to withstand climate risk challenge.
- The Strategic Business Plan does not anticipate material RWA growth in the SSA region nor the increase in the average weighted life of these assets.

The Bank engages with relevant stakeholders through the ESG questionnaire exercises, and any escalation identified through the ERC, EWRMC and ESG and Engagement committees. Regulatory engagement is managed through the ICAAP, Annual Strategy Meeting (ASM) and Periodic Summary Meeting (PSM) and the Bank provides additional climate risk disclosures in the Pillar 3 statement.

Performance: Whilst the Bank's trade portfolio comprises short term and self-liquidating facilities, the Board recognises the impact climate changes may have on its African customers and counterparties, trade flows and on the overall sustainability of the Bank's business mode.

UBA UK is committed to delivering long term value for all our stakeholders and the communities and environment in which we operate. The Bank appreciates the importance of our environment and of climate change issues and it takes all opportunities to limit the impact of its operations on the environment.

UBA UK also evaluates the financial impact climate change may have on its current financial position, and the forward-looking business plan at least annually. The Bank has also considered the financial risks from climate change from two primary risk factors (1) physical risk and (2) transitional risk.

"Physical risks" relate to specific events such as extreme weather, flooding, rising sea levels and rising average temperatures. UBA UK determines the direct physical risk of climate change from its core activities to be low. Indirect risk is assumed when the Bank provides trade finance to banks and corporates heavily exposed to climate change. This risk is mitigated by the short-term self-liquidating nature of transactions, the principal industry sector focus of financial institutions and the inherent liquidity in the fixed income securities. UBA UK regards indirect physical risk as low.

"Transitional risks" relate to adjustments towards a low-carbon economy such as changes to law, policy or regulation. As earlier mentioned, UBA UK's main product focus is on short dated self-liquidating cross border trade finance and Eurodollar fixed income securities issued by tier 1 banks from within its target market. Transitional risk is mitigated by the short-term cross border trade finance nature of transactions, the principal industry sector focus of financial institutions and the inherent liquidity in the fixed income securities. UBA UK takes no direct project finance or term lending exposure to entities that are directly exposed to the financial risk of climate change. Downstream transitional risk, for example the risk associated to a counterparty bank's exposure to the oil and gas or coal mining sectors, is assessed as part of the Bank's credit risk management process.

The Bank assesses and monitors Climate Risk through policies on Climate Risk and ESG, the RAS and the credit review process. As part of initial and annual credit risk assessment for obligors and country, climate risk assessment is conducted against the Environmental ratings which covers both physical and transitional risk and underlying commentary provided by Moody's, which is on a scale of 1 to 5 (5 being heavily exposed). Where required, additional sources are consulted. This assessment covers the impact of climate risk, both physical and transitional based on the country, counterparty business model, geography etc.

The Bank has recently reviewed the stress scenarios for IFRS and for the ICAAP 2025 for inclusion of additional stress scenario for climate risk.

The Bank 's Risk Appetite Statement (RAS) clearly sets out qualitative and quantitative metrics on Climate Risk, Sustainability and ESG. The performance against the metrics is monitored on a monthly basis and reported at the monthly ERC and quarterly BRCC.

The Bank has also considered its own risk to Climate Change. The main Physical Risk drivers identified are the Bank's proximity to the Thames River with increased risk of flooding and excessive heatwaves and hurricane threat due to global warming impacting use and access to the site. This risk is mitigated by the Bank's Business Continuity Plan and Disaster Recovery site. Furthermore, commercial combined insurance is in place specifically covering disruption of our operational activities.

Risk Management Actions:

Enhancing risk appetite measures.

UBA UK integrates environmental considerations into its decision-making process relating to its activities to avoid, minimize any negative impacts on the environment.

UBA UK reports on our annual energy use, Greenhouse Gas ("GHG") emissions and other related information in accordance with the requirements of the UK government's environmental reporting guidelines, including Streamlined Energy and Carbon Reporting requirements ("SECR").

Greenhouse gas emissions ("GHG") were calculated according to the greenhouse gas accounting standard GHG Protocol Corporate Accounting and Reporting Standard.

The boundary of the report included sources of emissions under the operational control of United Bank for Africa (UK) Limited.

We have measured our scope 1 and 2 emissions and scope 3 emissions related to employee use of their own vehicles, where they claim mileage allowance. We have also reported on scope 3 emissions related to employee air travel as a voluntary measure. Types of Greenhouse Gases ("GHG") included, as applicable: CO2, N2O, CH4, HFCs, PFCs, SF6 and NF3. The figures were calculated using DEFRA conversion factors, expressed as tonnes of carbon dioxide equivalent ("tCO2e"). The intensity ratio chosen was Fixed Term Employees ("FTE"). This was chosen as it was deemed to be the best metric which could be constantly used over time and would best reflect changes in United Bank for Africa (UK) Limited's energy consumption but also reflect changes in business performance. This is also the recognised intensity ratio for our industry sector.

	Current Reporting Period 2024
Annual Energy Consumption (kWh)	
Combustion for operation of facilities (Gas) from activities for which the company own or control	41,676.45
Purchase of electricity, heat, steam and cooling purchased for own use	85,618.40
Combustion of Fuel for Transport Purposes for which the company own or control	137.69
Combustion of Other Stationary Fuels	0.00
Total kWh	**127,432.54**
Mandatory Annual GHG Emissions (tCO2e)	
Scope 1	
Combustion for operation of facilities (Gas) from activities for which the company own or control	7.62
Combustion of Fuel for Transport Purposes for which the company own or control	0
Combustion of Other Stationary Fuels	0
Scope 2	
Purchase of electricity, heat, steam and cooling purchased for own use - Location based	17.73
Scope 3	
Category 3: Upstream Emissions from Purchased Fuel and Energy - Location-Based	7.13
Category 6: Business Travel: Fuel for transport purposes used in personal/hire cars on business use	0.00
Total GHG Emissions for Mandatory Reporting - Location-Based	**32.48**
Intensity for Mandatory GHG Emissions - Location-Based	
Intensity Ratio (tCO2e/FTE)	
Full Time Equivalent (FTE) Employees	58.0
Emissions per (FTE) Employees	0.56
Voluntary Annual GHG Emissions (tCO2e)	
Category 6: Business Travel: Air travel	42.47
Total GHG Emissions (tCO2e) including optional Scope 3 - Location-Based	**74.95**
Intensity for all GHG Emissions - Location-Based	
Intensity Ratio (tCO2e/FTE)	
Full Time Equivalent (FTE) Employees	58.00
Emissions per (FTE) Employees	**1.29**

Location-based electricity (Scope 2) emissions use the average grid fuel mix in the region/country where the electricity was purchased and consumed.

UBA UK has taken the following energy efficiency actions within this reporting period:

- Reporting on our Greenhouse Gas (GHG) emissions for Streamlined Energy Carbon Reporting (SECR) to identify our baseline year carbon emissions and potential areas for carbon reduction
- Moved to 100% renewable tariff for our London office
- Cycle to work scheme is available to all employees

UBA UK plan to undertake the following energy efficiency actions within the next reporting period:

- Ongoing monitoring and measurement of our Scope 3 emissions from travel to review any opportunities for carbon reduction
- Annual reporting of Greenhouse Gas (GHG) emissions and carbon reduction progress.

UBA UK designs all its credit forms, credit approval processes and procedures to ensure that issues that relate to sustainability are taken into consideration before a facility is granted to a customer. UBA UK shall:

- Ensure that the Credit Risk Culture includes an adequate tone from the top and that credit is granted to borrowers considering the impact on sustainability, and related environmental, social and governance ("ESG") factors.
- Incorporate ESG factors and associated risks in the Credit Risk Appetite and risk management policies, credit risk policies and procedures, adopting a holistic approach.
- For loans or borrowers associated with a higher ESG risk, a more intensive analysis of the actual Business Model of the borrower is required, including a review of current and projected greenhouse gas emissions, the market environment, supervisory ESG requirements for the companies under consideration, and the likely impacts of ESG regulation on the borrower's financial position.
- The Credit Decision shall be clear and well documented and include all the conditions and pre-conditions, including those to mitigate the risks identified in the creditworthiness assessment, such as risks associated with ESG factors, for the loan agreement and disbursement.
- Where the Bank takes possession of collateral, it may be faced with fines, fees, or legal suits relating to Social or Environmental damages resulting from such collateral. To this end, collaterals shall be examined to determine their Environmental and Social effects.
- Be responsible for ensuring that these principles are integrated into the Bank's processes by the Risk Management department.
- Engage with its customers to encourage good environmental and social risk management practices and to promote sustainable best practices.
- Ensure that Environmental and Social considerations are included in engagement agreements to ensure the risks are monitored and ongoing compliance adhered to.

Human Rights

UBA UK is committed to respecting human rights, and we work to combat slavery and human trafficking in our business and our supply chains. The Bank's Modern Slavery statement is supported by a framework of internal policies and procedures which are designed to assist in the prevention, detection, management and reporting of slavery and human trafficking.

Anti-bribery and Corruption

It is the policy of UBA UK to conduct business in an honest and ethical manner. The Bank takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships, wherever it operates, and implementing and enforcing effective systems to counter bribery.

The Bank will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which it conducts business.

Going Concern

The Bank has maintained adequate capital and liquidity remains above regulatory requirements and continues to maintain healthy reserves. The Board approved ICAAP, ILAAP and Recovery and Resolution Plan ("RRP") documents outline stable levels of funding, and the Bank performs regular stress tests on its liquidity positions under a range of sensitivities and scenarios. In preparing the annual financial statements, the Bank performed a going concern review that included amongst others a consideration of its 2024 performance and the impact on capital and liquidity in 2025. UBA UK is currently implementing the Strategic Business Plan ("SBP") despite a heightened risk environment, weak global economic growth, and deterioration of key customers in our major markets. The Bank is firmly positioned to ensure resilience and diversification with strong profitability, asset growth and a diversified portfolio of customers. UBA UK remains fully capitalised and able to support its business strategy leveraging on the business model to build a durable franchise. With the FY2024 performance and evidence of successful implementation of the SBP, the Directors are satisfied that the Bank as a whole has adequate resources to continue in operation and meet their liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. In addition, the Directors have also considered the undertaking by the parent, UBA PLC, to provide such financial assistance as is necessary for the Bank to fulfil its obligations and therefore continue to adopt the going concern basis in preparing the financial statements.

Capital

The Bank has 52,914,009 issued and fully paid shares of GBP1 each. There has been no change to the Bank's capital structure in 2024.

Results & Dividends

The Bank's profit for the year after taxation amounted to US$11.5m (2023: US$14.3m). The Board declared and approved the payment of final dividend of US$10m for the year ended 31 December 2023 at the annual general meeting held on 11 September 2024. The payment of US$10m was made in November 2024.

Directors' indemnities

The Bank has made qualifying third-party indemnity provisions for the benefit of the directors of the Bank which were renewed during the year and remain in force at the date of this report.

Political donations

The Bank did not make any political donations during the year (2023: Nil).

Future developments

Details on future developments of the Bank are disclosed in the Strategic Report.

Directors' Representation

In the case of each Director in office at the date the Directors' report is approved, so far as the Directors are aware, there is no relevant audit information of which the Bank's auditors are unaware and they have taken all reasonable 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditors

Pursuant to section 485 of the Companies Act 2006, Ernst & Young LLP (EY) has been reappointed as statutory auditor for the year ending 31 December 2025.

By order of the Board and on behalf of the Board,

Theresa Henshaw
Chief Executive Officer
Date: March 19, 2025

Helen Iwuchukwu
Company Secretary
Date: March 19, 2025

05

Statement of Directors' Responsibilities

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards ("IFRSs").

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

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently.
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information.
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Bank financial position and financial performance.
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business.

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

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

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Bank's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

06

Financial Statements

Independent Auditor's Report to the members of United Bank for Africa (UK) Limited

Opinion

We have audited the financial statements of United Bank for Africa (UK) Limited for the year ended 31 December 2024 which comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and the related notes 1 to 33, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going

concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Assessing management's going concern assessment, including forecasts for the going concern period and understanding capital adequacy, liquidity and funding positions;
- Challenging the reasonableness of assumptions used to develop the forecasts in the Business Strategic Plan and evaluating the accuracy of historical forecasting by comparing historical budgeted financial information with actual results to form a view of the reliability of the forecasting process;
- assessing the results of management's stress testing, including consideration of principal risks, on funding, liquidity, and regulatory capital;
- evaluating the parental letter of support from the parent "UBA PLC" and reviewing the going concern assessment performed by the group auditors (EY Nigeria) to assess the ability of United Bank for Africa PLC to support the Bank if needed;
- reviewing correspondence with prudential regulators and authorities for matters that may impact the going concern assessment; and
- evaluating the going concern disclosure included in note 1 to the financial statements to assess whether the

disclosure was appropriate and in conformity with the reporting standards.

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 twelve months from when the financial statements are authorised for issue.

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

Overview of our audit approach

Key audit matters	• Expected credit losses (ECL) • Revenue recognition
Materiality	• Overall materiality of $4.7m which represents 1% of total assets

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

Stakeholders are increasingly interested in how climate change will United Bank For Africa (UK) Limited. The Company has determined that the most significant future impacts from climate change on its operations will be from physical risk and transitional risk. These are explained on pages 33-37 in the Directors' Report. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Company's business and any consequential material impact on its financial statements.

The Company has explained in Directors' Report and Note 1 to the financial statements how they have reflected the impact of climate change in their financial statements. In preparing the financial statements, the Directors have considered the impact of climate change on the Company's assets and liabilities.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, and whether these have been appropriately reflected in the financial statements. As part of this evaluation, we performed our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those 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 our opinion thereon, and we do not provide a separate opinion on these matters.

IFRS 9 expected credit losses
Refer to the Accounting policies (page 54 to 70); and notes 6;30;31 of the financial statements

Key audit matter	Our response to the key audit matter
IFRS 9 Expected credit losses (ECL): $2.4 million (2023: $6.1 million) Expected credit loss (ECL) provisions under IFRS 9 is an accounting estimate that carries a high degree of uncertainty driven by judgmental assumptions, including the collectability of the receivables collateralised by United Bank for Africa PLC. The vast majority of the Company's lending is in sub-Saharan Africa. The impact of the current economic environment and political conditions results in a risk in certain countries to which the bank has exposure.	• We applied a substantive approach in performing our audit procedures related to ECL. • We obtained an understanding of and evaluated the design effectiveness of controls across processes relevant to ECL, including staging criteria and calculation of ECL elements (Probability of Default (PD), Loss Given at Default (LGD) and Exposure At Default (EAD) and we did not rely on controls. • We involved EY model risk specialists to perform a combination of model methodology reviews, model implementation testing, model reperformance testing, and model sensitivity analysis. • We tested the completeness and accuracy of data fields that drive ECL provisions. We substantively tested the accuracy of data underpinning the ECL provisions by testing lineage from the ECL model back to source systems for each data item and testing the completeness and accuracy of data lineage from source systems into the ECL model. • We assessed the collateral agreement between United Bank for Africa PLC (UBA PLC) and UBA UK Ltd and considered its impact on ECL provisions. In addition, we verified the existence of the collateral by obtaining confirmation from United Bank for Africa PLC. • We assessed the methodology used by management to incorporate forward looking information in calculating PD and we engaged EY model risk specialists to assess the reasonableness of the scenarios applied. • We evaluated the Company's accounting policy and tested how they were applied in allocating a financial asset to a relevant stage to ensure they remained compliant with the requirements of IFRS 9. This included peer benchmarking to assess staging triggers. • We read board and other key meeting minutes in order to identify any specific events or circumstances that may trigger the need for incremental provisions • Our audit considered the continued uncertain economic outlook in sub–Saharan Africa, where the majority of the Company's clients operate, and the appropriateness of model assumptions used in determining credit loss provisions. • We assessed the adequacy and appropriateness of the disclosures made with reference to UK adopted International Accounting Standards.

Key observations communicated to the Audit Committee

- Based on the work we performed, we were satisfied that IFRS 9 ECL was reasonably stated.
- We raised observations in relation to staging, PD, EAD and the overall ECL calculation which did not individually or in aggregate have a material impact on the ECL recorded.
- We note that the disclosures are in compliance with the requirements of UK adopted International Accounting Standards.

Risk of fraud in revenue recognition related to management override of controls in the posting of manual journals Refer to the Accounting policies (page 54 to 70); and note 4 of the financial statements	
Key audit matter	**Our response to the key audit matter**
Risk of fraud in revenue recognition related to management override of controls in the posting of manual journals Under ISA 240 the auditor is required to consider the risk of fraud in revenue recognition. The income recognised may be fraudulently misstated due to fraud or error. The risk of fraud associated with revenue is related to risk of management override which exists in revenue recorded through manual adjustments during the year ended 31 December 2024.	• We performed walkthroughs to obtain an understanding of processes and controls related to revenue recognition and assessed the designeffectiveness of the key controls and we did not rely on controls. • We applied a substantive approach in performing our procedures as we have not relied on any of the Company's revenue controls. • We assessed the risk of material misstatement of each significant revenue stream by considering its level of automation, complexity, and use of judgment. • For a sample of transactions, we checked the details to supporting documentation and performed an independent recalculation of interest income. • We applied risk-based criteria to identify a sample of manual entries into revenue lines on which we inspected the evidence supporting the journal, tested the accounting postings, reviewed the authorization of the transactions and validated the appropriateness of the journal postings
Key observations communicated to the Audit Committee • Based on the procedures we performed, we have no material findings to report. We were satisfied that Revenue was reasonably stated.	

In the prior year, our auditor's report included a key audit matter in relation to IFRS 9 Expected credit losses (ECL) and Risk of fraud in revenue recognition. In the current year, we have not changed the key audit matters.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be $4.7 million (2023: $3.0 million), which is 1% (2023: 0.5%) of total assets. We believe that total assets provide us with the most appropriate measure that reflects the financial position of the Company given the fluctuation in profitability in the previous years. The year-on-year increase in the materiality is driven by an increase in our materiality basis of total assets and is reflected in all materiality thresholds discussed below.

During the course of our audit, we reassessed initial materiality. This resulted in a lower final materiality calculated based on the actual total assets of the Company as at year end.

There were no changes to the basis for materiality calculation from planning stage.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2023: 50%) of our planning materiality, namely $3.5million (2023: $1.5m). We have increased the percentage of performance materiality from the prior year based on our experience of misstatements.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $235k (2023: $150k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise toa material misstatement in the financial statements themselves or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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 directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on page 40], 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are regulations, licence conditions and supervisory requirements of the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA"), UK adopted International Accounting Standards, and the Companies Act 2006.

- We understood how United Bank for Africa (UK) Limited is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance matters. We also read Board minutes, Audit Committee meeting minutes and correspondence received from regulatory bodies.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and assuming manual journal relating to revenue recognition to be a fraud risk. To address the risk, we obtained an understanding of the entity level controls and the Company's policies in place to identify and respond to fraud including those areas which involved a higher degree of management judgement and subjectivity. Our procedures also involved testing manual entries identified by applying specific risk criteria.

- Based on this understanding we designed our audit procedures to identify non- compliance with such laws and regulations. Our procedures involved enquiries of legal counsel, senior management and internal audit, review of regulatory correspondence and any key committee minutes, obtained details of any investigations conducted into instances of potential non-compliance and assessing outcome of such investigations, and focused testing in the identified areas of heightened fraud risk.

- The Company operates in the banking industry which is a highly regulated environment. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

- Through these procedures, we have not become aware of actual or suspected non- compliance.

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

Other matters we are required to address

Following the recommendation from the audit committee we were appointed by the Company on 06 December 2023 to audit the financial statements for the year ending 31 December 2023 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is two years, covering the years ending 31 December 2023 to 31 December 2024.

- 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 the audit.
- The 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.

DocuSigned by:
Chris Brouard
08FC62F38BB8445...

Chris Brouard (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor London

Date: March 19, 2025

United Bank for Africa (UK) Limited
Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 US$'000	2023 US$'000
Interest income calculated using the effective interest method		43,575	48,839
Other interest and similar income		1,627	1,403
Total interest and similar expense		(19,477)	(21,553)
Net interest income	4	25,725	28,689
Fee and commission income	5	405	558
Provision for expected credit losses	6	(33)	(246)
Net gains/(losses) on derecognition of debt instruments measured at amortised cost		1,047	(124)
Net gains on derecognition of debt instruments measured at fair value through other comprehensive income		204	12
Other income	7	732	2,281
Operating income		28,080	31,170
Staff costs	8	(9,432)	(7,728)
Administrative expenses	9	(4,894)	(3,875)
Other operating (expenses)/income	10	(55)	(889)
Depreciation and amortisation	17/18	(780)	(783)
Profit Before Taxation for the year		12,919	17,895
Income tax expense	12	(1,470)	(3,572)
Profit for the year		11,449	14,323
Other comprehensive income/ (expense)			
Items that may be reclassified to profit or loss		1,086	2,341
Net change in fair value of investment securities at FVOCI		740	-
Reclassification to income statement			
Net change in allowances for expected credit losses of investment securities at FVOCI		618	-
Income tax related to the above		349	-
Total items that may be reclassified to profit or loss		2,793	2,341
Total comprehensive income for the year		14,242	16,664
Comprehensive income for the period attributable to owners of the parent		14,242	16,664

All transactions are in respect of continuing operations.

The accompanying notes form an integral part of the financial statements.

United Bank for Africa (UK) Limited
Statement of Financial Position

As at 31 December 2024

	Notes	2024 US$'000	2023 US$'000
Assets			
Cash and cash equivalents	13	102,328	91,250
Due from banks	14	86,235	-
Loans and advances to banks	15	88,969	363,448
Loans and advances to customers	16	-	2,561
Investment securities	17	181,213	147,377
Property, plant and equipment	18	1,740	1,600
Intangible assets	19	1,425	1,616
Current tax asset		264	-
Other assets	20	5,872	3,805
Deferred tax asset	12	1,656	-
Total assets		469,702	611,657
Liabilities			
Deposits from banks	21	373,403	493,214
Deposits from customers	22	9,836	37,380
Corporation tax liability		-	176
Other liabilities	23	7,154	5,820
Total liabilities		390,393	536,590
Equity			
Share capital	24	72,246	72,246
Share premium account		201	201
Retained earnings		7,292	5,843
Other reserves		(430)	(3,223)
Total equity		79,309	75,067
Total equity and liabilities		**469,702**	**611,657**

The accompanying notes form an integral part of the financial statements. The financial statements on pages 50 to 97 were approved by the Board of directors on February 27, 2025 and signed on its behalf by:

Deji Adeyelure FCCA
Chief Financial Officer
Date: March 19, 2025.

Theresa Henshaw
Chief Executive Officer
Date: March 19, 2025.

36 Queen Street, London, Greater
London EC4R 1BN
Bank Registration No: 03104974

United Bank for Africa (UK) Limited
Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital US$'000	Share premium account US$'000	Other reserves US$'000	Retained earnings US$'000	Total equity US$'000
Balance as at 1 January 2024	72,246	201	(3,223)	5,843	75,067
Profit for the year	-	-	-	11,449	11,449
Net change in fair value of investment securities at FVOCI	-	-	1,435	-	1,435
Reclassification to income statement	-	-	740	-	740
Net changes in allowances for expected credit losses of investment securities at FVOCI	-	-	618	-	618
Total comprehensive income	-	-	2,793	11,449	14,242
Div idends				(10,000)	(10,000)
Balance at 31 December 2024	72,246	201	(430)	7,292	79,309
Balance as at 1 January 2023	60,246	201	(5,564)	(8,480)	46,403
I ssuance of share capital	12,000	-	-	-	12,000
Profit for the year	-	-	-	14,323	14,323
Net change in fair value of financial instruments at FVOCI	-	-	2,341	-	2,341
Balance at 31 December 2023	72,246	201	(3,223)	5,843	75,067

The accompanying notes form an integral part of the financial statements.

United Bank for Africa (UK) Limited
Statements of Cash Flows

For the year ended 31 December 2024

	2024 US$'000	2023 US$'000
Profit/(loss) before tax	12,919	17,895
Adjustments for:		
Depreciation and amortisation	780	783
Net gain/(loss) on derecognition of debt instruments measured at amortised cost	(1,047)	124
Net gain/(loss) on derecognition of debt instruments measured at fair value through other comprehensive income	(204)	(12)
Other non-cash items included in profit before tax	93	(1,366)
Changes in due from banks	(86,309)	-
Change in loans and advances to banks	274,189	56,239
Change in loans and advances to customers	2,561	(2,561)
Change in other assets	(2,122)	(1,552)
Change in deposit from banks	(119,812)	(45,796)
Change in deposit from customers	(27,544)	32,565
Change in other liabilities	1,841	973
Tax paid	(3,217)	(4,064)
Net cash flows from operating activities	52,128	53,228
Investing activities		
Purchase of property, plant and equipment	(546)	(67)
Purchase of intangible assets	(207)	(95)
Payments for investment securities at FVOCI	(75,117)	(9,857)
Net payment for subscription/redemption of investment securities at FVTPL	(5,961)	(15,621)
Proceeds from sale of investment securities at FVOCI	32,328	17,627
Proceeds from sale of investment securities at amortised cost	18,662	2,038
Net cash flows used investing activities	(30,841)	(5,975)
Financing activities		
Cash flow from financing activities		
Payments of lease liabilities	(255)	(235)
Payments of interest on leases	(9)	(11)
Dividend paid	(10,000)	-
Proceeds from issuance of share capital	-	12,000
Net cash flow (used in)/from financing activities	(10,264)	11,754
Net increase in cash and cash equivalents	11,023	59,007
Net foreign exchange difference	55	889
Cash and cash equivalents at beginning of period in the financial statement position	91,250	31,354
Cash and cash equivalents at end of period in the financial statement position	102,328	91,250
Additional information on operational cash flows from interest		
Interest paid	24,606	19,633
Interest received	56,106	44,261

The accompanying notes to the financial statements are an integral part of these interim consolidated and separate financial statements.

United Bank for Africa (UK) Limited

Notes to Financial Statements

For the year ended 31 December 2024

1. Accounting Policies Reporting entity

UBA UK is a private company limited by shares. The Bank is an authorised and regulated wholesale deposit taking institution domiciled and incorporated in the United Kingdom under Companies Act 2006, registered in England and Wales and is a wholly owned subsidiary of UBA Plc. The registered office is at 36 Queen Street, London, Greater London EC4R 1BN. The Bank's principal activities comprise wholesale deposit taking, the provision of international trade finance products and services, fixed income, and foreign exchange broking.

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention except for financial assets designated at fair value through profit or loss ("FVTPL"), debt instruments at fair value through other comprehensive income ("FVOCI") all of which have been measured at fair value. The financial statements have been prepared in accordance with UK adopted international accounting standards ("IFRS") as applicable to companies reporting under those standards. Policies have been consistently applied other than where new policies have been implemented.

In preparing the financial statements the Directors have considered the impact of climate change but have concluded that due to the nature of the business operations, it does not have a material impact on the financial statements as at 31 December 2024.

Statement of Compliance

The financial statements of the Bank have been prepared in accordance with UK-adopted international accounting standards.

Functional and presentational currency

The financial statements are prepared and presented in US dollars ("USD"), rounded to the nearest thousand dollars. The US dollar is the functional currency of the primary economic environment in which the Bank operates and plans to continue to operate.

Significant accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, expenses, and the accompanying disclosures as well as the disclosure of contingent liabilities.

Significant judgements

In the course of preparing the financial statements, the following significant accounting judgements have been made in the process of applying the Bank's accounting policies.

Expected Credit Loss

The measurement of the expected credit loss ("ECL") allowance for financial assets is an area that requires the use of models and significant assumptions about future economic conditions and credit behaviour (e.g., the likelihood of customers defaulting and the resulting losses).

A number of judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk.
- In assessing whether a significant increase in credit risk ("SICR") has occurred for an exposure since initial recognition, the Bank considers both quantitative and qualitative information and analysis. In doing so, the Bank makes judgements about the appropriate indicators used as SICR triggers. The triggers that the Bank has determined as appropriate include the 30-day backstop, movement in PD and other qualitative factors, such as moving a customer/facility to the watch list, or the account becoming forborne.
- Choosing appropriate models and assumptions for the measurement of ECL; and
- The Bank considers the availability and sophistication of existing lending-related models and modelling approach which, where necessary, may include diagnostic, staging assessment, forward-looking PDs and monitoring.
- The Bank does not have an internal rating model, making the development of a standalone macroeconomic overlay model for IFRS 9 ECL estimation is challenging. However, to ensure macroeconomic factors are appropriately considered, the Bank applies stressed conditions specific to Nigeria and utilises the upper bound probability of default (PD) in its ECL calculations. For instance, for a credit rating of B-, where the PD range is between 6% (lower bound) and 10% (upper bound), the Bank adopts the upper bound PD of 10% to assess the worst-case sensitivity of its ECL estimates
- Establishing the number and relative weightings of forward-looking scenarios.
- The Bank makes judgements about the type and number of macroeconomic scenarios in order to reflect the Bank's exposure to credit risk. The Bank calculates a base case scenario, two downside scenarios and one upside scenario.

Significant estimates and assumptions

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires assumptions, in particular, in the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Bank's ECL calculations include a number of underlying assumptions regarding the variable inputs and their interdependencies. Elements of the ECL calculation that involve assumptions and estimate uncertainty include:

- The weightings assigned to the multiple economic scenarios in order to reflect the exposure to credit risk.
- The value of specific economic inputs and the effect on PDs, EADs and LGDs.
- In addition to the judgements outlined above with regards to SICR triggers, there is also an assessment of qualitative criteria to determine if there has been a significant increase in credit risk. These supplementary factors result in significant assumptions and estimation uncertainty.

Financial instruments

Recognition

Financial instruments are recognised and measured under the requirements of IFRS 9.

The Bank recognises a financial asset or financial liability on its Statement of Financial Position when the Bank becomes a party to the contractual provisions of the instrument.

The Bank derecognises a financial asset when: the contractual rights to the cash flows from the financial asset expire; or it transfers the contractual rights to the cash flows and the Bank has no continuing involvement in all or a portion of those rights.

The Bank removes a financial liability from the Statement of Financial Position (derecognition) when it is extinguished, when the obligation specified in the contract is discharged, cancelled, or expires.

IFRS 9 requires financial assets to be classified using two criteria:

- A contractual cash flow test to determine whether cash flows represent 'solely payments of principal and interest'.
- A business model test which takes the nature, purpose, and intention of the asset into account

Financial assets measured at amortised cost receive contractual cash flows on specified dates and are held with no intention to sell. These are classified and subsequently measured at amortised cost. The carrying value of these financial assets is adjusted by any allowance for credit loss recognised and measured. Income earned is recorded using the effective interest method. Income earned is recognised in the statement of profit or loss and other comprehensive income.

Financial assets measured at fair value through other comprehensive income comprise assets which receive contractual cash flows on specified dates and are potentially for sale. Initial recognition is at fair value with subsequent re-measurement at fair value and changes (except changes relating to impairment, interest, and currency movements) are recognised in other comprehensive income until sold. Upon disposal the cumulative gains and losses in other comprehensive income are recognised in the statement of profit or loss and other comprehensive income as net gains/(losses) on derecognition of debt instruments measured at FVOCI. Reclassification to the income statement under other comprehensive income (expense) represents realised gains and losses that were previously recognised in other comprehensive income and reclassified to profit or loss upon derecognition.

Financial assets measured at fair value through profit and loss comprise assets measured at fair value. Interest earned on instruments designated at FVTPL is accrued in interest income using effective interest method and is recognised in the statement of profit or loss and other comprehensive income.

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be Purchased or Originated Credit Impaired ("POCI"). This population includes new financial instruments recognised in most cases following the derecognition of forborne investment securities. The amount of change in lifetime ECL for a POCI asset is recognised in profit or loss until the POCI asset is derecognised, even if the lifetime ECL is less than the amount of ECL included in the estimated cash flows on initial recognition.

Under IFRS 9, financial liabilities are either classified as financial liabilities at amortised cost or financial liabilities at fair value through profit and loss.

Financial liabilities comprising deposits and borrowings in the normal course of business are classified as amortised cost and are initially measured at cost. Repayments are deducted when made and reduce the amount of liabilities. Except for interest expense on lease liabilities, interest expense is calculated using the effective interest method and it is recognised in the statement of profit or loss and other comprehensive income.

Financial instruments purchased and/or sold are recognised/derecognised on the trade date. Income recognition also takes place on the trade date.

Modification

Modified assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified as a result of restructuring activity rather than due to credit risk and impairment considerations, the Bank performs an assessment to determine whether the modifications result in the derecognition of that financial asset.

For financial assets, this assessment is based on qualitative factors. When assessing whether or not to derecognise a financial asset, the Bank considers the following factors:

- Significant change in terms and conditions
- Change in currency of the financial asset
- Whether the modification is such that the instrument would no longer meet the SPPI criterion

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

The Bank derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the financial asset is deemed to be POCI.

Modified liabilities

When the modification of the terms of an existing financial liability is not judged to be substantial and, consequently, does not result in derecognition, the amortised cost of the financial liability is recalculated by computing the present value of estimated future

contractual cash flows that are discounted at the financial liability's original EIR. Any resulting difference is recognised immediately in profit or loss. For financial liabilities, the Bank considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, 10%.

Write-off

Financial assets are written off either in their entirety or partially when the Bank has no reasonable expectation of recovering the asset in its entirety, or a portion thereof. If the amount to be written off is greater than the accumulated expected credit loss, the difference will be an additional impairment loss, which is presented as an addition to the expected credit losses applied against the gross carrying amount. Any subsequent recoveries are credited to the provision for expected credit losses.

The following events represent examples of circumstances which could lead to a full or partial write-off:

- The borrower is declared bankrupt or insolvent, especially in the case of unsecured exposures where the liquidator or administrator has indicated that there are not sufficient resources available to satisfy the unsecured creditors.
- There is external evidence (for example, third party valuations) available that there has been an irreversible

decline in expected cash flows and, accordingly, the Bank has no reasonable expectation of recovery; or

- Individually assessed loans that are secured, are generally written off after the receipt of the proceeds from the realisation of the security, and there is no expectation that any further amounts will be recovered by any other means.

Write-offs are also affected with certain time frames post-default of a financial asset. Collectively assessed portfolios such as unsecured loans are typically written off within five years after default where there has not been a repayment or collection in the period.

Overdrafts are typically written off within three years after default.

Impairment

Under IFRS 9 entities are required to recognise Expected Credit Losses ("ECL") based on forward looking information for all financial assets at amortised cost, assets at FVOCI, commitments and guarantees.

Financial assets are assessed for impairment on a monthly basis. Expected credit losses are a probability weighted average credit loss determined by evaluating a range of possible outcomes and future economic conditions, including both upside and downside scenarios.

An ECL allowance is calculated on individual exposures at the reporting date.

Definition of default

An asset is considered to be in Default if one or more of the following conditions are met:

- 'Days Past Due' - the obligor is past due more than 90 days on any material credit obligation: or
- UBA UK consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or, where relevant fees (net present value loss above 1%); or
- The obligor is likely to be unable to meet its obligations without recourse to the realisation of credit risk mitigation. Indicators of inability to pay include, but are not limited to:
    - UBA UK puts the credit obligation into a non-accrued status.
    - UBA UK decides to accept a partial write-off.
    - UBA UK recognises a specific credit adjustment resulting from a significant perceived decline in credit quality subsequent to the institution taking on the exposure.
    - UBA UK can only sell the credit obligation at a material credit- related economic loss.
    - UBA UK has filed for the obligor's bankruptcy or a similar order in respect of an obligor's credit obligation to the Bank.
    - the obligor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of a credit obligation to UBA UK.

Impairment losses as a result of uncollectible exposures are written off against the related allowance for loan impairment. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss and other comprehensive income.

Staging

To ensure a more accurate assessment and measurement of financial assets recognised at amortised cost, IFRS 9 requires an evaluation of the financial asset to determine the performance and also the credit risk, when compared to the initial recognition date. The Bank allocates each financial asset into different stages, reflecting the level of credit risk.

a) **Stage 1: Performing**

   Where there has been no significant increase in credit risk since initial recognition.

b) **Stage 2: Underperforming, Potentially Impaired and Watch-List Assets**

   Where there has been a significant increase in credit risk since initial recognition; and

c) **Stage 3: Non-Performing**

   Where there has been a significant increase in credit risk since initial recognition, and there is objective evidence of impairment.

d) **Purchased or originated credit impaired ("POCI")**

   Financial assets purchased or originated at a deep discount that reflects the incurred credit losses.

Significant Increase in Credit Risk

The assessment of whether there has been a significant increase in credit risk is based on an increase in the probability of a default occurring since initial recognition. The Bank's process to assess changes in credit risk is multifactor and comprises three main metrics:

- Primary Indicators (quantitative) - determined by comparing the rating as at the reporting date with the rating that was assigned at the time of initial recognition of the exposure.

Rating band at Initial Recognition	Rating at Review Date
HQLAs	BBB- or below
AAA to A-	3 notches down
BBB+ to B+	2 notches down
B and below, incl. rating withdrawal	I notch down

- Secondary Indicators (qualitative) - the Bank considers the following triggers as evidence of significant increase in credit risk, including but not limited to:
    - Long-Term Issuer Default Rating downgrade or a material change in the outlook by any External Credit Assessment Institution ("ECAI");
    - Deterioration of relevant credit risk drivers for an individual obligor (or pool of obligors); and
    - Evidence that full repayment of principal or interest without realisation of collateral is unlikely, regardless of the number of days past due.
- Backstop Indicator - There is a rebuttable presumption that the credit risk has increased significantly if contractual principal payments are more than 30 days past due; this presumption shall be applied unless the Bank has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition.

ECL Calculation Inputs

- Exposure at Default ("EAD") – This is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

- Probability of default ("PD") - This is an estimate of the likelihood of default over a given time horizon. The Bank does not have an internal credit risk rating model and relies on the credit ratings and probabilities of default provided by the recognised External Credit Assessment Institutions ("ECAI") such as Fitch.

- Loss Given Default ("LGD") – This is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. A 12-month expected loss horizon is used for the calculation of the Stage 1 ECL.

  A lifetime expected loss horizon is used for the calculation of the Stage 2 and Stage 3 ECLs.

  The Bank does not have an internal LGD calculation methodology and instead, applies regulatory LGD of 45%, when assessing Stage 1 assets.

  For assets in Stages 2 and 3, the Bank utilised historical LGDs made publicly available by the ECAIs for the relevant geographic regions and industries/sectors.

- Discount Rate – This is used to discount an expected loss to a present value at the

reporting date using the effective interest rate ("EIR") at initial recognition.

ECL allowances

The Bank calculates a base scenario, two downside scenarios and one upside scenario for ECL computations as follows (applicable to stage 1):

- For the **base case** the Bank undertakes a comprehensive review of its credit portfolio, including an ECL calculation, monthly. This enables the close tracking of the risk comprising the credit portfolios basis and takes cognisance of the largely trade finance led business model, including the material use of cash collateral as qualifying credit mitigation. The Bank's approach has regard for loan deterioration and stage allocation, and is predicated on identifiable primary, secondary and backstop indicators to identify significant increases in credit risk. This base case calculation incorporates probability of default and loss given default assumptions publicly sourced and defined in a Board approved framework.

  In 2024, Nigeria, our core market and the home of our Parent, UBA plc, undergone material political and economic challenges.

  The Government implemented significant reforms to support the restoration of macroeconomic stability. Exchange rate and monetary policy frameworks have been adjusted, fuel subsidies reduced, coordination between the ministry of finance and the Central Bank of Nigeria (CBN) improved, central bank financing of the government scaled back, and administrative efficiency measures are being taken to raise the currently low government revenue, as well as oil production.

  While it is still early, the World Bank's October 2024 report says that positive results from these reforms are starting to show at the macroeconomic level. For example, output growth has remained modest overall, but inched higher through mid-2024 as oil sector output has stabilised and activity in some services has been robust. The fiscal position is also improving, with the Federal Government's fiscal deficit narrowing to 4.4% of GDP in the first half of 2024 from 6.2% in the first half of 2023, helping to mitigate debt-related risks. Foreign exchange reserves – a buffer against external shocks – have risen from US$32.9 billion at the end of 2023 to more than US$38.8 billion by mid-October 2024. However, inflation remains high, and inched up again in September 2024, mainly due to the most recent gasoline price increases and recent floods.

The impact of these credit events has been assessed as positive by the external rating agencies. On 1-Nov-24, FITCH changed its outlook to "Positive" and affirmed Nigeria's "B-" Long-Term Issuer Default rating.

Based on the prognosis above and the continued recovery phase of the Nigerian economy, the base case probability is set at 50% on a forward looking 2024-25 basis.

- **Scenario 1** is a Nigeria specific downside scenario leading to a 1-notch downgrade in the sovereign credit rating. A downward shift in the sovereign ceiling in turn translates into a 1-notch downward shift of any Nigerian counterparty with a rating higher than the revised sovereign ceiling.

  Given the background information provided in the base case above, combined with the prolonged impact of the pandemic on developed markets, the probability continues to be at 20% on a forward looking 2023-24 basis.

- **Scenario 2** is a Bank specific downside scenario for developed market exposures leading to a 2-notch downgrade in the rating of the Bank's exposure to developed market entities, and a 1-notch downgrade in Nigerian exposures.

  Given the background provided in the base case above and based on a qualitative internal assessment, the probability of this scenario crystallising is estimated at 1 in 4, i.e. 25%, on a forward looking 2024-25 basis.

- The upside **scenario 3** models 1 notch upgrade in the Bank's exposures. The upside scenario models a Nigeria specific scenario which, following a sustained increase in the oil price, leads to an improvement in the economic fundamentals of Nigeria, translating into a 1 notch upgrade in the sovereign credit rating. This shift in the "sovereign ceiling" translates into a 1 notch upward shift in the credit ratings of any Nigerian counterparty with a rating higher than the revised "sovereign ceiling". As monetary tightening reverses, this leads to an expansionary macro-economic outlook, resulting in a 1-notch upward shift in other exposures. Nigeria's rating and economic performance is constrained by weak governance, structurally very low non-oil revenue, high hydrocarbon dependence, security challenges, high inflation, low net FX reserves and ongoing weakness in the exchange rate framework. These challenges underlie the change of probability rating to 5% on a forward looking 2024-25 basis, recognising the limited expectation of immediate improvement of the Nigerian economy.

Scenario outcomes: General provisions

In line with the IFRS 9 requirements, the Bank's policy recommends a weighted average approach in computing the ECL. The Risk Committee will review and recommend reclassification of Stage 2 and Stage 3 ECL. There is a rebuttable presumption that the credit risk has increased significantly if contractual principal payments are more than 30 days past due; this presumption shall be applied unless the Bank has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition. As at December 2024, there were no 3rd party principal payments more than 30 days past due.

The table below details the outcome of each economic scenario on the ECL, the estimated probability of realisation and the ECL closing balance as of 31 December 2024 compared to 31 December 2023. Refer to notes 6, 30 and 31 for further disclosures.

For the year ended 31 December 2024

US$'000	ECL before Weighting 31/12/2024	Probability Weighting	ECL Weighted Av Balance 31/12/2024	ECL Weighted Av Balance 31/12/2023	Year on Year change
Base	1,480	50%	740	1,195	(455)
Scenario 1	2,257	20%	451	706	(255)
Scenario 2	2,152	25%	538	825	(287)
Scenario 3	883	5%	45	79	(34)
Total Stage 1 ECL			1,774	2,805	(1,031)
Stage 2 ECL			517	956	(439)
Stage 3 ECL			-	2,366	(2,366)
POCI			96	-	96
Total ECL provisions			2,387	6,127	(3,740)

Purchased or originated credit impaired exposure ("POCI")

- Ghana

As mentioned earlier, at the beginning of the year, UBA UK held in its investment portfolio a Republic of Ghana Eurobond (XS2325742166 / Maturity 07/04/2025), with notional value of US$5m. Following the Eurobond default, in 2023, this exposure was reclassified as Stage 3 in line with our ECL policy and IFRS9 requirements.

Ghana subsequently successfully concluded a debt exchange for its fifteen outstanding non- performing Eurobonds and exchanged them for five new bonds.

In October 2024, the Government of Ghana withdrew the Ghana 0 04/07/25 Bond (Old Bond) in the Amortised Cost portfolio and replaced with the issuance of two separate bonds with new maturities Ghana 0 07/03/26 (US$0.2m) and Ghana 1.5 01/03/37 (US$4.4m) (New Bonds). The Bank assessed these new instruments as meeting the criteria for purchased or originated credit impaired "POCI" recognition. The new bonds now being credit impaired, restructured and outside the Bank's risk appetite were assessed and accounted using FVOCI (previously - amortised cost).

The total ECL provisions at the point of restructuring was US$2.3m which is 54% of the total exposure.

The difference between the fair value of the new instruments and the carrying amount of the old bonds is recognised as a net loss on derecognition of the investment security.

Stage 2 – Underperforming, potentially impaired and watch-list assets

Since their initial recognition, the Bank observed significant increase in the credit risk of the following asset, now classified as Stage 2. Scenario-based approach is used when calculating the respective ECL:

- Ecobank (Nigeria)

At the beginning of 2024, the Bank maintained US$6.0m investment in a Eurobond issued by Ecobank Nigeria, maturing in Feb-26. Following two credit downgrades by FITCH, from "B-"to "CCC+" in Feb-24, and subsequently to "CCC-" in Jul-24, the Bank sold US$2.95m and reduced its investments to US$3m at the end of the year).

- Arab Republic of Egypt

In Q4 2024, the Bank exited its position in the sovereign Eurobond issued by the Arab Republic of Egypt (XS2297220423 / Maturity 16/02/2026, with a carrying amount of US$8.0m after considering ECL of $1.2m.

Potential escalation of various regional conflicts was seen a key risk to the Egyptian economy and the issuer's credit worthiness. Moreover, the Bank does not benefit from the insights and other advantages it has in other African countries, particularly those countries with UBA Group presence. As such, the Bank's investment into this Stage 2 asset was exited, with a corresponding gain on the sale of the investment security recognised in the profit or loss account (US$0.86m).

ECL Sensitivity analysis

We recognise the need to perform an ECL sensitivity analysis, given the current macroeconomic conditions in sub-Saharan Africa where UBA UK exposures are concentrated. We conducted an ECL sensitivity analysis by applying worst case probability of default rate. Given the conservative assumptions used in the sensitivity model, and the short- term nature of the bulk of our exposures, less than a year, we do not expect these additional provisions to materialise. Our current ECL provision is reasonable.

Revenue from contracts with customers

Revenue from contracts with customers, except leases, financial instruments, and insurance contracts, have been accounted for under IFRS 15.

The 5-step model requires UBA UK to:

- Identify the contract with the customer.
- Identify each of the performance obligations.
- Determine the amount of the consideration under the contract.
- Allocate the consideration to each of the performance obligations.
- Recognise revenue as each performance obligation is satisfied.

Revenue comprises mainly fee and commission income (including documentary credit confirmation fees, commission from FX and bond brokerage and banking services fees) and is recognised when the services are provided. Fees and commissions are agreed with the customers without judgements and estimates.

Interest income and interest expense

Interest income comprises interest earned on loans advanced, fixed income instruments held and money market deposits. Interest expense consists of interest payable on deposits. Interest income and interest expense except for interest expense on lease liabilities, are recognised in the statement of profit or loss and other comprehensive income using the effective interest method.

Interest income and expense for all interest-bearing financial instruments are calculated by applying the effective interest rate to the gross carrying amount for non-credit impaired financial assets and are recognised within 'interest income' and 'interest expense' in the statement of profit or loss and other comprehensive income.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the gross carrying amount of the financial asset or liability. For credit-impaired financial assets subsequent to initial recognition, interest income is calculated by applying the credit-adjusted interest rate to the amortised cost of the financial asset. The assessment of whether there has been a significant increase in credit risk is based on an increase in the probability of a default occurring since initial recognition, for the criteria refer to Significant Increase in Credit Risk on page 59.

On initial recognition, a POCI asset must be recognised on the balance sheet at a value which represents estimated future cash flows from the loan (i.e. contractual cash flows due, less a lifetime ECL allowance), discounted at the loans credit adjusted effective interest rate. This results in the presentation of a net amount.

Other income

Commission from foreign exchange brokerage comprises gains less losses related to foreign exchange brokerage.

Commission from bonds brokerage comprises of commission on back-to-back purchases and sales of fixed income securities. The commission is recognised in the statement of profit or loss and other comprehensive income upon execution of the transaction (i.e., on trade date).

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Bank's revenue contracts do not include multiple performance obligations. When the Bank provides a service to its customer, consideration is due immediately upon satisfaction of a service provided at the end of the contract. The Bank has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Property, plant and equipment

Measurement

Fixed assets are recorded at cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets (costs of bringing the asset to its location and working condition). Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the asset flow to the Bank and the cost of the asset can be measured reliably.

External costs to bring the asset into use are capitalised and amortised over the life of the asset. Internal implementation costs are not separately recognised. Repairs and maintenance costs are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Depreciation

Tangible fixed assets are depreciated on the straight-line basis over the following estimated useful lives:

- Furniture and fittings — 3 years
- Office equipment — 3 years
- Leasehold improvements — 15 years or shorter of the remaining lease term
- Right of use asset — 15 years or shorter of the remaining lease term

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's value, less costs to sell, and value in use.

Leasehold improvements are amortised using the straight-line method over the shorter of the remaining lease term before any options to extend, or the estimated useful life of the asset.

All lease incentives received are deducted from the cost before the amortisation of leasehold improvements. Costs for repairs are expensed in the period work is undertaken. Dilapidation provisions are made unless it is not possible to reliably quantify the obligation arising at the end of the lease period.

Change in useful life

The Bank changed the estimated useful life of furniture and fittings and office equipment from 5 years to 3 years to align with the Parent's policy.

Disposal

On disposal of a fixed asset (movable and immovable), economic substance rather than legal form determines the timing of the elimination, the amount and the designation of gain/loss arising.

Gains and losses on disposal are recognised at the time an asset is sold provided:

- The amount of profit/loss is measurable, and payment of sales price reasonably assured; and
- The Bank is not obligated to perform significant activities after the sale or to provide any warranties after sale.

Gains and losses on disposal shall be determined by comparing net proceeds with the carrying amount. These are included in the statement of profit or loss and other comprehensive income for the year.

Intangible assets

Computer software and licenses recognised by the Bank are stated at cost less accumulated amortisation and impairment. Subsequent expenditure is capitalised only when it increases the future economic benefits in the asset. All other expenditure is expensed as incurred.

Amortisation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the useful life of 10 years.

Intangible assets classified as work in progress ("WIP") are purchased software under implementation phase. These assets will be transferred to software costs once it is ready for use and will not be amortised until the implementation is complete and available for use.

Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statement comprises include cash on hand and amounts due from banks on demand or with an original maturity of three months or less.

Foreign currencies

Transactions in foreign currencies are translated into US dollars at the mid rates prevailing as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the mid rates of exchange prevailing at that date. All exchange differences are included as gains or losses in the statement of profit or loss and other comprehensive income.

Leases

Contracts for leases have been accounted for under IFRS 16. The Bank considers whether a contract is or contains a lease. A lease is defined as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control over the use of the identified asset means that the customer has the right to obtain substantially all the economic benefits from the use of the asset and the right to direct the use of the identified asset.

At lease commencement date, the Bank recognises a right of use asset and a lease liability on the balance sheet. The right of use asset is measured at cost.

The Bank depreciates the right of use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Bank also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date the Bank measures the lease liability at the present value of the lease payments unpaid at that date, discounted at the interest rate implicit in the lease or the incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest.

The Bank has elected to account for short term leases and leases of low value using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit and loss on a straight-line basis over the lease term.

In the statement of financial position, right-of-use assets are included in property, plant and equipment and lease liabilities are reported in other liabilities. The Bank recognises depreciation of leased assets and interest on lease liabilities in the statement of profit or loss and other comprehensive income.

When the Bank has the option to extend a lease, management uses its judgement to determine if an option would be reasonably certain to be exercised. Management considers all facts and circumstances to help determine the lease term.

Pension costs

The Bank operates a defined contribution scheme. The contributions are recognised as an expense in the statement of profit or loss and other comprehensive income when they are due, and the Bank has no further payment obligations once the contributions have been paid.

Provisions and financial commitments

A provision is recognised if the Bank has a present or future legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits is required to settle the obligation.

Contingent liabilities from financial commitments are possible obligations whose existence depends on the outcome of uncertain future events or those present obligations where the outflows of resources are uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless they are remote. Contingent liabilities comprise letters of credit. Letters of credit are agreements to lend to a customer in the future subject to certain conditions.

Guarantees

Financial guarantees are initially recognised in the financial statements at fair value on the date the Bank becomes a party to the irrevocable commitment. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of ECL or amount initially recognised less cumulative income recognised.

Taxation

Corporation tax

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws which have been enacted or substantively enacted at the reporting date.

Deferred tax

A deferred tax liability or asset is recognised in respect of timing differences which result in an obligation to pay more or less tax respectively at a future date. Timing differences arise as a result of differences between taxable profits and profits as stated in the financial statements.

Deferred tax is calculated on a non-discounted basis after taking assessed losses into account at the tax rates that are known or are expected to apply in the years in which the timing differences are expected to reverse. Changes to deferred tax as a result of changes in tax rates are recognised in the current year.

Going concern

The Board has ultimate responsibility for the Bank's Stress Testing and Scenario Analysis Framework ("STSAF") and on the recommendation of the Board Risk and Compliance Committee ("BRCC") will formally approve the STSAF at least annually. As part of this framework, the Bank's Risk Committee has identified a relatively wide range of stresses and scenarios which would stress the baseline financial position of the Bank. These scenarios are relevant given UBA UK's African-centric business model, the Reverse Stress Test scenario in the STSAF is a systemic failure in the Nigerian banking system which includes a failure at UBA Plc.

The Directors have considered the principal risks, the Bank's resources and the level of support provided to it by its parent, UBA Plc, which is stated in its letter of support to the Bank and consider it appropriate to continue to adopt the going concern basis of accounting in preparing the annual financial statements. The going concern review covers the financial performance of UBA UK for 12 months from the date the financial statements are authorised.

2. Changes in accounting policies and disclosures

2.1. New and amended standards.

2.1.1. Lease liability in a Sale and leaseback – IFRS 16

Lease liability in a sale and leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions. This standard is effective on or after 1 January 2024.

The new standard had no impact on the Bank's financial statements.

2.1.2. Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

The amendments had no significant impact on the Bank's financial statements.

2.1.3. Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

This is a slight amendment to IAS 1- Presentation of Financial Statements, the amendment clarifies how an entity classifies debt and other financial liabilities as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (eg the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

This amendment had no impact on the Bank's Financial statement.

2.2. Standards issued but not yet effective.

2.2.1. IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, wherefore the first there are new. There are specific presentation requirements and options for entities that have specified main business activities.

Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but early application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Bank is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

2.2.2. IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined by IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The Bank will not be electing to apply reduced disclosures.

2.2.3. Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchanged into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Bank's financial statements.

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

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

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

The amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only.

Based on initial assessments, the amendments are not expected to have a material impact on the financial statements.

3. Business and geographical segments

All the Bank's activities are derived from one main activity, the provision of wholesale banking services, which are carried out in the United Kingdom.

4. Net Interest Income

	2024 US$'000	2023 US$'000
Interest income calculated using the effective interest method		
Cash and cash balances	7,200	1,751
Loans and advances to banks	32,970	43,688
Loans and advances to customers	50	120
Investment securities at FVOCI	1,047	789
Investment securities at amortised cost	2,308	2,491
	43,575	48,839
Other interest and similar income		
Investment securities at FVTPL	1,627	1,403
	1,627	1,403
Total interest and similar income	45,202	50,242

	2024 US$'000	2024 US$'000
Interest expense calculated using the effective interest method		
Deposits from banks	(18,872)	(20,111)
Deposits from customers	(596)	(1,431)
	(19,468)	(21,542)
Other interest and similar expense		
Interest on lease liability	(9)	(11)
	(9)	(11)
Total interest and similar expense	(19,477)	(21,553)
Net interest income	25,725	28,689

The credit risk exposure as at period end is representative of the average exposure in the period.

5. Fee and commission income

	2024 US$'000	2023 US$'000
Fee and commission income from trade finance	382	803
Other	164	151
	546	954
Fee and commission expense		
Safe custody	(140)	(394)
Other	(1)	(2)
	(141)	(396)
Net fee and commission income	405	558

Net fee and commission income of US$405k (2023: US$558k) is derived from advising and confirming letters of credit and is net of fees relating to safe custody charges.

6. Provision for expected credit losses

The table below shows the provision for expected credit losses recorded in the statement of profit or loss and other comprehensive income for financial instruments. Derecognition and writebacks have been treated as movements.

			2024		
US$'000	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Cash and cash equivalents	(506)		-	-	(506)
Due from banks	74		-	-	74
Loans and advances to banks	291		-	-	291
Loans and advances to customers	-		-	-	-
Investment securities FVOCI	(308)	743	-	9	444
Debt instruments at amortised cost	(51)		-	-	(51)
Financial commitments	(219)		-	-	(219)
Total ECL (release)/charge	(719)	743	-	9	33

			2023		
US$'000	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Cash and cash equivalents	500	-	-	-	500
Loans and advances to banks	(1,457)	-	-	-	(1,457)
Loans and advances to customers	-	-	-	-	-
Investment securities FVOCI	72	-	-	-	72
Debt instruments at amortised cost	112	956	-	-	1,068
Financial commitments	63	-	-	-	63
Total ECL (release)/charge	(710)	956	-	-	246

7. Other income

	2024 US$'000	2023 US$'000
Commission from Bonds Brokerage	38	1,641
Commission from Foreign Exchange Brokerage	694	640
	732	**2,281**

8. Staff costs

Staff costs during the year were as follows:

	2024 US$'000	2023 US$'000
Wages and salaries	7,925	6,512
Social security costs	865	695
Other Pension costs	410	338
Other costs and benefits	232	183
	9,432	7,728

A defined contribution pension scheme is operated by the Bank. The amount payable at the reporting date in relation to these contributions was US$ Nil (2023: US$ Nil).

The number of employees as of December 2024 was 63 (2023 12-month average: 47), of which 10 (2023: 7) were customer facing, 24 (2023:19) in control functions and 29 (2023:21) employees.

9. Administrative expenses

	2024 US$'000	2023 US$'000
Auditors remuneration:		
Audit of Bank's statutory accounts	284	539
	284	539

	2024 US$'000	2023 US$'000
Consulting fees	922	280
IT software maintenance and support	1,140	882
Premises maintenance	436	310
Legal and professional fees	280	109
Communication and marketing	382	411
Directors expenses	105	177
Subscriptions	443	349
Other administrative expenses	902	818
	4,610	3,336

10. Other operating income and expenses

	2024 US$'000	2023 US$'000
Foreign exchange (losses)/gains	(55)	(889)
	(55)	(889)

Transactions in foreign currencies are translated into US dollars at the mid rates prevailing as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the mid rates of exchange prevailing at that date. All exchange differences are included as gains or losses in the statement of profit or loss and other comprehensive income.

11. Directors' remuneration

Staff costs include the following emoluments in respect of the qualifying services provided by the directors of the Bank:

	2024 US$'000	2023 US$'000
Salaries, fees and other	1,566	1,594
Pension contributions	25	25
Other benefits	2	2
	1,593	1,621

The number of directors for whom retirement benefits were accrued under money purchase pension schemes amounted to nil (2023: nil). Other benefits include accommodation allowances.

There was no compensation or termination benefits paid to any Director for loss of office.

Emoluments disclosed above include the following amounts payable to the highest paid director:

	2024 US$'000	2023 US$'000
Total emoluments	546	452
	546	452

There was no share options exercised during the year (2023: Nil) and no defined benefit pension scheme in operation.

12. Taxation

The income statement tax charge for the year is lower than the standard rate of corporation tax in the UK of 25% (2023: 23.52%)

	2024 US$'000	2023 US$'000
Analysis of tax charge for the period:		
Current tax		
UK corporation tax @ 25%(2023:23.52%)	2,725	3,492
Adjustments in respect of prior periods	52	80
Total current tax charge	2,777	3,572
Deferred tax		
Origination and reversal of temporary differences	(1,255)	-
Adjustments in respect of prior periods	(52)	-
Total deferred tax credit	(1,307)	-
Tax on profit on ordinary activities	1,470	3,572

The charge for the year can be reconciled to the statement of profit or loss and other comprehensive income as follows:

	2024 US$'000	2023 US$'000
Reconciliation of tax charge		
Profit on ordinary activities before tax	12,919	17,895
Tax on profit on ordinary activities at standard CT rate of 25.00% (PY: 23.52%)	3,230	4,209
Effects of:		
Fixed assets differences	4	8
Expenses not deductible for tax purposes	1	2
Adjustments to tax charge in respect of previous periods	52	55
Adjustments to tax charge in respect of previous periods - deferred tax	(51)	-
Remeasurement of deferred tax for changes in tax rates	-	46
Current tax (current period) exchange difference arising on movement between opening and closing spot rates	6	26
Movement in deferred tax not recognised	-	(774)
Effect of previously unrecognised deferred tax	(1,772)	-
Tax charge for the period	1,470	3,572

Legislation in respect of Pillar Two income taxes was substantively enacted in the UK on 20 June 2023 to apply for periods commencing 1 January 2024. The Bank has undertaken a Pillar Two assessment in the period and based on this assessment expects to have a nil or immaterial tax exposure.

The Bank has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

	2024 US$'000	2023 US$'000
Provision for deferred tax		
Fixed asset temporary differences	119	45
Short term temporary differences	(350)	(1)
Losses and other deductions	(1,425)	(44)
Total deferred tax (asset)/liability	(1,656)	-
Movement in provision:		
Provision at start of period	-	-
Deferred tax credit in the income statement for the period	(1,307)	-
Deferred tax credit in the other comprehensive income	(349)	
Provision at end of period	(1,656)	-
Deferred tax asset not recognised	-	(1,772)

The directors have recognised deferred tax assets in respect of tax losses carried forward of US$1.31m (2023: Nil) on the basis of future profitability forecasts supporting the unwinding of the losses.

13. Cash and cash equivalents

	2024 US$'000	2023 US$'000
Cash at bank	102,328	91,250
	102,328	91,250

Cash and cash equivalents includes money market placements with maturity less than 30 days.

14. Due from banks

	2024 US$'000	2023 US$'000
Due from banks	86,235	-
	86,235	-

Amounts due from banks are money market placements with over 90 days maturity. They are measured at amortised cost. The directors consider that the carrying amount is approximately equal to their fair value. The Bank did not have money market placements over 90 days maturity in FY 2023.

15. Loans and advances to banks

	2024 US$'000	2023 US$'000
Loans to parent bank	75,497	358,121
Loans to fellow subsidiaries	379	2
Loans to other banks	13,519	5,460
	89,395	363,583
Less expected credit loss	(426)	(135)
	88,969	363,448

Loans and advances to banks are measured at amortised cost and include collateralised trade financing receivables owed by the parent bank to UBA UK. The directors consider that the carrying amount of loans and advances to banks is approximately equal to their fair value after the recognition of the ECL provision. At 31 December 2024 no loans to banks were impaired (2023: nil). No ECL has been provided on loans to parent bank as these are fully cash collateralised. The maturity profile of loans and advances is disclosed in note 26.

16. Loans and advances to customers

	2024 US$'000	2023 US$'000
Loans to customer	-	2,561
	-	2,561

Loans and advances to customers are measured at amortised cost. The directors consider that the carrying amount of loans and advances to customers is approximately equal to their fair value. There were no loans and advances to customers in FY 2024.

17. Investment securities

	2024 US$'000	2023 US$'000
Debt securities at amortised cost	23,286	44,535
Investment securities at FVOCI	110,519	65,393
Investment securities at FVTPL	48,644	42,684
Total	182,449	152,612
Less ECL provision	(1,236)	(5,235)
Total investment securities	181,213	147,377

During the year the Bank sold debt securities at amortised cost portfolio (Arab Republic of Egypt and Ecobank Nigeria) resulting in a net gain of US$1.0m.

The Republic of Ghana bond held at amortised cost was withdrawn and replaced with the issuance of two separate bonds with new maturities Ghana 0 07/03/26 (US$0.2m) and Ghana 1.5 01/03/37 (US$4.4m) (New Bonds) and is now held at FVOCI. The new bonds were issued with the fair value of US$2.0m, which was the market price when the bond started trading.

Included in Investment securities at FVTPL were exposures to US Government securities held through investment in the Blackrock US Treasury Fund which constituted eligible liquidity buffer securities.

The maturity profile of investment securities is disclosed in note 26.

18. Property, plant and equipment

	Furniture and Fittings US$'000	Office equipment US$'000	Leasehold Improvements US$'000	Right of use Asset US$'000	Total US$'000
Cost					
At 1 January 2024	128	584	1,028	2,658	4,398
Additions	344	71	131		546
Translation Difference	-	-	-	(45)	(45)
At 31 December 2024	472	655	1,159	2,613	4,899
Accumulated depreciation					
At 1 January 2024	125	516	914	1,243	2,798
Translation Difference				(21)	(21)
Charge for the year	1	22	114	245	382
At 31 December 2024	126	538	1,028	1,467	3,159
Net book value					
At 31 December 2024	346	117	131	1,146	1,740
Cost					
At 1 January 2023	126	519	1,028	2,515	4,188
Additions	2	65	-		67
Exchange Difference	-	-	-	143	143
At 31 December 2023	128	584	1,028	2,658	4,398
Accumulated depreciation					
At 1 January 2023	124	506	787	940	2,357
Exchange Difference				54	54
Charge for the year	1	10	127	249	387
At 31 December 2023	125	516	914	1,243	2,798
Net book value					
At 31 December 2023	3	68	114	1,415	1,600

There are no impairments associated with these assets. The gross carrying amount of fully depreciated property, plant and equipment still in use at 31 December 2024 was US$1.7m.

The right of use asset held by the Bank is the building lease on the Bank's offices.

19. Intangible assets

	US$'000 Computer software	US$'000 WIP	US$'000 Total
At 1 January 2024	3,758	197	3,955
Additions	30	177	207
Reclassifications			-
At 31 December 2024	3,788	374	4,162
Accumulated amortisation			
At 1 January 2024	2,339	-	2,339
Charge for the year	398	-	398
At 31 December 2024	2,737	-	2,737
Net book value			
At 31 December 2024	1,051	374	1,425
At 1 January 2023	3,691	169	3,860
Additions	-	95	95
Reclassifications	67	(67)	-
At 31 December 2023	3,758	197	3,955
Accumulated amortisation			
At 1 January 2023	1,943	-	1,943
Charge for the year	396	-	396
At 31 December 2023	2,339	-	2,339
Net book value			
At 31 December 2023	1,419	197	1,616

There are no fully amortised intangible assets still in use as at 31 December 2024.

20. Other assets

	2024 US$'000	2023 US$'000
Prepayments and accrued income	994	634
VAT receivable	341	200
Other receivables	4,373	2,805
Rent deposits	164	166
	5,872	3,805

Other receivables include unsettled transactions.

21. Deposits from banks

	2024 US$'000	2023 US$'000
Amounts due to parent bank	173,937	427,796
Amounts due to fellow subsidiaries	65,806	14,859
Amounts due to other banks	133,660	50,559
	373,403	493,214

Deposits from the parent and fellow subsidiaries are unsecured and measured at amortised cost. The directors consider that the carrying amount is approximately equal to their fair value.

22. Deposits from customers

	2024 US$'000	2023 US$'000
Amounts due to customers	9,836	37,380
	9,836	37,380

Deposits from customers are unsecured and measured at amortised cost. The consider that the carrying amount is approximately equal to their fair value.

The maturity profile of these deposits is disclosed in note 26.

23. Other liabilities

	2024 US$'000	2023 US$'000
Lease liability	1,167	1,437
Accrued expenses	1,447	1,335
Other liabilities	4,540	2,829
ECL for financial commitments	-	219
	7,154	5,820

Other liabilities include unsettled transactions.

Movements in lease liability

	2024 US$'000	2023 US$'000
Opening balance	1,437	1,595
Additions during the year	-	-
Payments of principal on leases	(255)	(235)
Payments of interest on leases	(9)	(11)
Translation difference	(6)	88
Closing balance	1,167	1,437

For the year ended 31 December 2024

24. Share capital

	2024 US$'000	2023 US$'000
Authorised, issued and fully paid: 52,914,009 ordinary shares of £1 each	72,246	72,246

Capital is defined as the total of share capital, share premium, retained earnings and other reserves. Other reserve is net change in the fair value of debt instruments classified at FVOCI less the allowance for ECL. Total capital as at 31 December 2024 is US$78m (2023: US$75.2m) See note 27.

25. Dividends

	2024 US$'000	2023 US$'000
Cash dividends on ordinary shares declared and paid:		
Final dividend 18.90 cents per share (2023: Nil)	10,000	-

26. Maturity analysis

	Within 12 months US$'000	After 12 months US$'000	Total US$'000
As at 31 December 2024			
Assets			
Cash and cash equivalent	102,328	-	102,328
Due from banks	86,235	-	86,235
Loans and advances to banks	78,663	10,306	88,969
Loans and advances to customers	-	-	-
Investment securities	153,456	27,757	181,213
Property, plant and equipment	-	1,740	1,740
Intangible assets	-	1,425	1,425
Current tax asset	264	-	264
Other assets	5,710	162	5,872
Deferred tax asset	-	1,656	1,656
Total assets	426,656	43,046	469,702
Liabilities			
Deposits from banks	373,403	-	373,403
Deposits from customers Corporation tax liability	9,836	-	9,836
Lease liability	266	901	1,167
Other liabilities	5,987	-	5,987
Total liabilities	389,492	901	390,393
Net	37,164	42,145	79,309

	Within 12 months US$'000	After 12 months US$'000	Total US$'000
As at 31 December 2023			
Assets			
Cash and cash equivalent	91,250	-	91,250
Due from banks	-	-	-
Loans and advances to banks	363,448		363,448
Loans and advances to customers	2,561	-	2,561
Investment securities	79,153	68,224	147,377
Property, plant and equipment	-	1,600	1,600
Intangible assets	-	1,616	1,616
Other assets	3,639	166	3,805
Total assets	540,051	71,606	611,657
Liabilities			
Deposits from banks	493,214	-	493,214
Deposits from customers	37,380	-	37,380
Corporation tax liability	176	-	176
Lease liability	269	1,168	1,437
Other liabilities	4,383	-	4,383
Total liabilities	535,422	1,168	536,590
Net	4,629	70,438	75,067

27. Capital management

The Bank was granted a wholesale deposit banking licence in March 2018. Regulatory capital is determined in accordance with the requirements stipulated by the Prudential Regulatory Authority ("PRA") in the UK. Total regulatory capital as at 31 December 2024 was US$78m (2023: US$75.2m).

The Bank's total regulatory capital qualifies as Tier 1 capital and consists of:

	2024 US$'000	2023 US$'000
Authorised, issued and fully paid share capital:	72,246	72,246
Share premium	201	201
Retained earnings	7,292	5,843
Unrealised losses on investment securities	(779)	(3,223)
Other transitional adjustments to CET1 capital	573	1,881
Prudential valuation adjustment	(96)	(108)
less intangible assets	(1,425)	(1,616)
	78,012	75,224

Capital adequacy and the use of regulatory capital are monitored by the Bank's management. The Bank employs techniques based on the guidelines developed by the Basel Committee and European Community Directives as implemented by the Financial Conduct Authority ("FCA") and the PRA in the UK, for supervisory purposes, who requires each bank to maintain a ratio of total regulatory capital to risk-weighted exposures at or above a level determined for each institution.

Capital planning and allocation commences with the annual business plan and budget submissions. Once these have been assessed for capital adequacy, funding and liquidity considerations, EXCO has responsibility for ensuring that these comply with strategic priorities and hurdle rates. The annual budget is approved by the UBA UK Board.

In UBA UK's day to day operations the Individual Capital Requirement ("ICR") is used in credit proposals, where the return on capital is compared to the minimum expected returns within the relevant Product Programmes. Higher level capital steering and oversight takes place daily through the use of liquidity, capital and exposure metrics reports. These reports provide:

- Tracking of capital usage against available capital resources;
- Tracking of balance sheet and off-balance sheet exposures, and the resultant risk weighted assets;
- Observing the trend of the leverage ratio;
- Monitoring of the development of the Bank's Tier 1 capital and Capital Adequacy ratios;
- Tracking of key liquidity ratios; and
- Reporting of UBA UK's largest credit exposures against internal and regulatory limits.

Additionally, the above is included within the ALCO report, Risk Committee report, and monthly and quarterly reports to the Board.

28. Financial commitments

The Bank has the following commitments under letter of credit and guarantees:

	2024 US$'000	2023 US$'000
Letters of credit	17,276	17,201
Guarantees	8,633	-
	25,909	17,201

As at 31 December 2024, the Bank held cash of US$12.6m (2023: US$9.4m) for cash backed confirmed letters of credit. The balance of US$4.6m (2023: US$2.2m) confirmed letters of credit, issued by the Parent, is covered under the netting agreement. These represent the amounts the Bank is committed to pay upon presentation of documents. There were no capital commitments.

Guarantees are given to third parties as security to support the performance of a customer to third parties. As at 31 December 2024, the Bank holds US$8.6m cash as collateral to meet the obligation should the customer default.

29. Financial instruments

The fair value of a financial instrument is the amount for which the instrument could be exchanged, or a liability settled, in an arm's length transaction between knowledgeable willing parties. The carrying value of the Bank's financial instruments reflects the fair value, as the valuations are observable either in an active market or derived from prices within an active market.

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Bank recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period. The hierarchy of valuation techniques are summarised below:

- Level 1 – The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring transactions on an arm's length basis.

- Level 2 – The fair value of financial instruments that are not traded in active markets (for example over the counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

- Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair Value of financial assets measured at fair value.

The following table below outlines the fair value hierarchy of financial assets of the Bank which are carried at fair value. They are categorised into Levels 1 to 3 based on their observable valuations.

	2024			
	Level 1 US$'000	**Level 2 US$'000**	**Level 3 US$'000**	**Total US$'000**
Investment securities at FVOCI	110,519	-	-	110,519
Investment securities at FVTPL	48,644	-	-	48,644
	159,163	-	-	159,163

	2023			
	Level 1 US$'000	**Level 2 US$'000**	**Level 3 US$'000**	**Total US$'000**
Investment securities at FVOCI	65,080	-	-	65,080
Investment securities at FVTPL	42,684	-	-	42,684
	107,764	-	-	107,764

As at the end of the reporting period, there were no transfers between the levels.

Fair value of financial assets not measured at fair value.

	2024	
	Carrying amount US$'000	**Fair value Level 1 US$'000**
Financial assets		
Debt securities at amortised cost	23,286	22,865
Less ECL provision	(1,236)	-
Financial assets not carried at fair value	22,050	22,865

	2023 Carrying amount US$'000	2023 Fair value Level 1 US$'000
Financial assets		
Debt securities at amortised cost	44,536	38,687
Less ECL provision	(4,922)	-
Financial assets not carried at fair value	39,614	38,687

All other assets are measured at carrying amount. The carrying amount represents the Bank's exposure to credit risk. The fair value represents the amount which the Bank would obtain if the securities were sold in an open market.

30. Expected credit losses (ECLs)

US$'000	2024 Stage 1	Stage 2	Stage 3	POCI	Total
Cash and cash equivalents	33	-	-	-	33
Due from banks	74	-	-	-	74
Loans and advances to banks	426	-	-	-	426
Loans and advances to customers	-	-	-	-	-
Investment securities FVOCI	5	517	-	96	618
Debt instruments at amortised cost	1,236	-	-	-	1,236
Financial commitments	-	-	-	-	-
Total ECL	1,774	517	-	96	2,387

US$'000	2023 Stage 1	Stage 2	Stage 3	POCI	Total
Cash and cash equivalents	538	-	-	-	538
Loans and advances to banks	135	-	-	-	135
Loans and advances to customers	-	-	-	-	-
Investment securities FVOCI	313	-	-	96	313
Debt instruments at amortised cost	1,600	956	2,366	-	4,922
Financial commitments	219	-	-	-	219
Total ECL	2,805	956	2,366	96	6,127

During FY2024, the Bank exited the Arab Republic of Egypt and the Ghana sovereign bond was derecognised and replaced with new bonds which are classified as purchased or originated credit impaired "POCI" in line with the Bank's policy. The provision of the credit impaired asset at origination was $0.1m and closing provision at year end was US$0.1m.

31. Risk management

Through its business dealings, the Bank is exposed to various risks on an enterprise-wide basis, including credit, market, liquidity operational, cyber, financial crime, regulatory, reputational and conduct risk.

The Bank's Risk function remains independent from the business ensuring integrity and transparency.

The Bank aims to use an enterprise-wide, integrated risk management approach across the organisation and across all risk types. This approach is captured in our Risk Management Framework, including the key principles and practices that we employ in managing material risks, both financial and non-financial. The Framework promotes risk awareness, supports a consistent and proactive approach to identifying, assessing, managing and reporting the risks, and fosters ownership and accountability. The key elements of the Risk Management framework are intended to enhance risk identification, measurement, control and reporting.

Operating-level oversight is achieved through the Bank's Enterprise-wide Risk Management Committee, while Risk and Compliance sub-Committee of the Board provides supervision and advises the Board on material risk-related matters.

The Bank uses the Three lines of Defence model to ensure that ownership of risk management is at all levels and a robust risk culture is embedded within the organisation. The Board of Directors and the Executive Management Committee set the risk management tone, establishing the strategy, culture and risk appetite, approving the control of the overall risk framework, roles and responsibilities as well as high level policies. The Risk Management Framework is a high-level statement of the controls in place to identify, measure and manage risk across all business activities.

Market risk

The Bank does not have an active trading book and any investments relating to market risk (measured at fair value through profit or loss – FVTPL) are for treasury management and regulatory requirement purposes. These are collectively designated as Banking Book activities, and are primary source of interest rate and foreign exchange.

The Basel Accord defines Market Risk as "the risk of losses in 'on' and 'off' balance sheet positions arising from movements in the market prices." Market risk includes exposure to two types of risk factor, both of which are covered by this policy:

a. Variables which are driven by macro-economic, geo-political and other market-wide considerations independent of any instrument or single name are termed 'General Market Risk' factors. They include changes in the level, slope, or shape of yield curves (interest rates), widening or tightening of traded credit spread levels, and directional movements in equity market indices, exchange rates and commodity prices.
b. Changes in associated volatilities and correlations between risk factors – which may be unobservable or only indirectly observable.

The Bank does not have exposure to equity or commodity risk. In 2024, the main components of the Bank's market risk were:

Bond price risk

High quality liquid fixed income instruments are held for liquidity management purposes and from time to time as part of an investment portfolio. The market risk unit of the Risk department measures and monitors Board mandated market risk limits and operating early warning indicators (EWI). These indicators include possible changes in market conditions such as: anticipated and actual changes to interest rates; socio-economic factors driving mortgage prepayment behaviours; and economic and geopolitical factors driving currency and equity price movements. The HQLA portfolio is subjected to a daily stress analysis and the results are shared and reviewed by the ALCO and Risk committees. This portfolio is accounted for using FVOCI.

A quantitative assessment of high-quality liquid bonds is conducted through scenario stress tests for the fixed income book, using scenarios based on 2008 market moves following the collapse of Lehman Brothers and inflation in 2022. These scenarios measure the possible losses to the bonds if one of these historical scenarios were to arise again. Both 2008 and 2022 scenarios exhibited extreme market moves in interest rates. In 2008, following the collapse of Lehman Brothers saw bond yields and interest rates reduced significantly followed by a protracted period of near zero rates. In 2022, we saw the reversal of this period of extremely low rates as inflation, affecting all economies, accelerated following loose monetary policy during the Covid pandemic, continued supply chain issues and war in Ukraine. Therefore, for the purpose of risk management, the Bank continues to utilise the 2008/2022 stress scenarios as key stress indicators.

Investment securities, consisting of emerging market Eurobonds, are either at amortised cost or FVOCI. Expected credit losses of this portfolio are calculated under IFRS9. The Bank applies stresses (worst country specific market moves in the past 20 years) to the amortised cost portfolio as part of its daily market risk reporting and capital management process in BAU and the ICAAP preparation. The result of these stresses is presented to ALCO and BRCC for review and management action. The stresses are based on extreme market price movements in African Eurobonds in the last decade. The table below details the value of the amortised cost portfolio after the stress test.

	2024 US$'000	2023 US$'000
Carrying amount of debt securities at amortised cost	23,286	22,865
Bond risk price stress	(2,254)	(5,821)
Value after stress	21,033	17,044

Interest rate risk

The Bank does not have an active trading book. However, interest rate risk is present in its banking book. The banking book includes the Bank's trade finance business, bond activities, accounted for at amortised cost and FVOCI, money market and lending activities which are designed to earn a profit through the generation of fees and commissions, and from the interest margin over the Bank's cost of funds. Interest rate risk arises from duration mismatch in assets and liabilities; off-balance sheet claims and commitments corresponding to financial instruments with a fixed interest rate; and basis risk from the changes in the pricing yield curve.

The Bank measures interest rate risk in the banking book ("IRRBB") against Economic Value of Equity and Net Interest Income methods, assessing the impact of potential interest rate changes on shareholder value and earnings. The Bank has set Risk appetite indicators to monitor these impacts. As of the end of 2024, the Bank's earnings were sensitive to interest rates falling.

The underlying business is mostly short to medium term exposures and traditionally under 1year.

The Bank adopts more severe stress indicators on IRRBB, based on its own individual circumstances and risk management objectives, and monitors the impact via operational governance in ALCO, Risk Committee, and the Board through the Risk Appetite Statement ("RAS").

When measuring sensitivity to interest rates, the Bank also runs a set of regulator-prescribed and internally developed stress scenarios. In 2024, the Bank was most sensitive to a parallel shift scenario. The impact of a +/- 200 basis points parallel shift on the profit or loss was:

	2024 US$'000	2023 US$'000
Sensitivity		
Increase of 200bps	(545)	(1,029)
Decrease of 200bps	715	1,139

Foreign currency risk

Revenues, assets and liabilities are primarily in the functional currency US dollar. However, as the Bank is a UK entity its operating expenses are in Pound Sterling. To mitigate foreign exchange risk, the Bank considers the economic benefits of hedging exposure arising from operating expenses by entering into forward foreign exchange transactions, sets foreign exchange limits for individual currencies and ensures that any collateral held against obligations is held in the relevant currency. Furthermore, the Bank manages foreign exchange risk arising from its foreign exchange transactions with UBA Group subsidiaries and third parties by entering into equal and opposite transactions with acceptable financial institutions. The Bank did not have any formal hedging or derivative transactions in the reporting period.

The Bank's overall net foreign exchange exposure at the reporting date was as follows:

	2024 US$'000	2023 US$'000
Euro (EUR)	(669)	27
British Pound (GBP)	1,733	2,370
Other Currencies	39	63
	1,103	2,460

With the exception of small operating balances in its bank accounts, the Bank's stated risk appetite does not allow for intraday or overnight positions in foreign exchange. The Bank has set its risk appetite for maximum open currency exposures at EUR 1m (other currencies are set at US$0.25m). The impact of 1% move in FX rates on the open currency exposures is in the table below. The 1% move is applied as a typical market move that occurs or exceeds this amount approximately once every two months.

	2024 US$'000	2023 US$'000
Sensitivity		
1% change	11	25

Credit risk

Credit risk is the risk of loss to the Bank from the failure of clients, customers or counterparties, including sovereign, fully to honour their contractual obligations to the Bank, including the full and timely payment of principal, interest, collateral and other receivables.

The Bank controls credit risk by setting strict limits for all obligors. Limits are set after careful consideration of the credit profile for each obligor and the present market environment. The obligors which the Bank transacts with are mainly African Financial Institutions with acceptable external credit ratings and operating in the countries strategic to the UBA Group overall.

The Bank's exposure to credit risk is the carrying amount of fixed income holdings, loans issued, financial assets including investment securities and contingent liabilities. A significant portion of trade finance loans and contingent liabilities activities in 2024 was cash collateralised.

Risk limits and details of risk identification, measurement, monitoring and management, including regulatory capital requirements, are governed by a set of internal policies.

The Bank's maximum exposure to credit risk is as follows:

		2024	
	Exposure	Cash Collateral	Net exposure
	US$'000	US$'000	US$'000
Cash at bank	102,328	(46,897)	55,431
Due from banks	86,235	-	86,235
Loans and advances to banks	88,969	(75,539)	13,430
Loans and advances to customers	-	-	-
Investment securities	181,213	-	181,213
Other assets	6,136	-	6,136
	464,881	(122,436)	342,445
Financial commitments:			
Confirmed letters of credit	17,276	(17,276)	-
Guarantees	8,633	(8,633)	-
	25,909	(25,909)	-

		2023	
	Exposure	Cash Collateral	Net exposure
	US$'000	US$'000	US$'000
Cash at bank	91,250	-	91,250
Due from banks	-	-	-
Loans and advances to banks	363,448	(358,121)	5,327
Loans and advances to customers	2,561	(2,561)	-
Investment securities	147,377	-	147,377
Other assets	3,805	-	3,805
	608,441	(360,682)	247,759
Financial commitments:			
Confirmed letters of credit	17,201	(9,409)	7,792
	17,201	(9,409)	7,792

The letters of credit above comprise confirmed letters of credit and are the maximum amounts that the Bank could be required to settle on presentation of documents.

The guarantees represent the maximum amount the Bank could be required to pay to settle the liability. The Bank has cash as collateral to cover the liability in the event of a default.

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system. The amounts presented are gross of allowance for ECL.

	2024										
	Gross carrying amount					ECL					
US$'000	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
Assets											
Cash at bank											
Rated AAA to AA-	6,523	-	-	-	6,523	16	-				6,507
Rated A+ to A-	53,434	-	-	-	53,434	15	-				53,419
Rated BBB+ to BBB-	-	-	-	-	-	-	-				-
Rated B+ to B-	42,357	-	-	-	42,357	1	-				42,356
Rated CCC+ and below	46	-	-	-	46	-	-				46
	102,360	-	-	-	102,360	32	-				102,328
Coverage ratio	0.03%	0.00%	0.00%	0.00%	0.03%						
Due from banks											
Rated AAA to AA-	15,317	-	-	-	15,317	38	-	-	-	38	15,279
Rated A+ to A-	70,992	-	-	-	70,992	36	-	-	-	36	70,956
Rated B+ to B-	-	-	-	-	-	-	-	-	-	-	-
Rated CCC+ and below	-	-	-	-	-	-	-	-	-	-	-
	86,309	-	-	-	86,309	74	-	-	-	74	86,235
Coverage ratio	0.09%	0.00%	0.00%	0.00%	0.09%						
Loans and advances to banks							-	-	-		
Rated AAA to AA-	41	-	-	-	41	-				-	41
Rated A+ to A-	-	-	-	-	-	-				-	-
Rated B+ to B-	89,354	-	-	-	89,354	426	-	-	-	426	88,928
Rated CCC+ and below	-	-	-	-	-	-	-	-	-	-	-
	89,395	-	-	-	89,395	426	-	-	-	426	88,969
Coverage ratio	0.48%	0.00%	0.00%	0.00%	0.48%		-	-	-		
Loans and advances to Customers											
Rated B+ to B-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Coverage ratio	0.00%	0.00%	0.00%	0.00%	0.00%						
Debt instruments at amortised cost											
Rated B+ to B-	23,286	-	-	-	23,286	1,236	-	-	-	1,236	22,050
Rated CCC+ and below	-	-	-	-	-	-	-	-	-	-	-
	23,286	-	-	-	23,286	1,236	-	-	-	1,236	22,050
Coverage ratio	5.31%	0.00%	0.00%	0.00%	5.31%						
Investment securities at FVOCI											
Rated AAA to AA-	105,596	-	-	-	105,596	4	-	-	-	4	105,592
Rated CCC+ and below	-	3,002	-	1,921	4,923	-	517	-	-	613	4,310
	105,596	3,002	-	1,921	110,519	4	517	-	-	617	109,902
Coverage ratio	0.00%	17.23%	0.00%	5.00%	0.56%						
Financial commitments											
Rated A+ to A-	3,176				3,176	-	-	-	-	-	3,176
Rated B+ to B-	22,733	-	-	-	22,733	-	-	-	96	-	22,733
	25,909	-	-	-	25,909	-			96	-	25,909
Coverage ratio	0.00%	0.00%	0.00%	0.00%							

	2023										
	Gross carrying amount					ECL					
US$'000	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
Assets											
Cash at bank											
Rated AAA to AA-	-	-	-	-	-	-	-	-	-	28	-
Rated A+ to A-	63,533	-	-	-	63,533	28	-	-	-	59	63,505
Rated BBB+ to BBB-	20,212	-	-	-	20,212	59	-	-	-	451	20,153
Rated B+ to B-	8,043	-	-	-	8,043	451	-	-	-	-	7,592
Rated CCC+ and below	-	-	-	-	-	-	-	-	-	538	-
	91,788	-	-	-	91,788	538	-	-	-		91,250
Coverage ratio	0.59%	0.00%	0.00%	0.00%	0.59%						
Loans and advances to banks										-	
Rated AAA to AA-	165	-	-	-	165	-	-	-	-	135	165
Rated B+ to B-	363,418	-	-	-	363,418	135	-	-	-	-	363,283
Rated CCC+ and below	-	-	-	-	-	-	-	-	-	135	-
	363,583	-	-	-	363,583	135	-	-	-	-	363,448
Coverage ratio	0.04%	0.00%	0.00%	0.00%	0.04%						
Loans and advances to Customers											
Rated B+ to B-	2,561	-	-	-	2,561	-	-	-	-	-	2,561
	2,561	-	-	-	2,561	-	-			-	2,561
Coverage ratio	0.00%	0.00%	0.00%	0.00%	0.00%						
Debt instruments at amortised cost			-							2,556	
Rated B+ to B-	30,953	9,165	-	-	40,118	1,600	956	-		2,366	37,562
Rated CCC+ and below	-	-	4,418	-	4,418	-	-	2,366	-	4,922	2,052
	30,953	9,165	-	-	44,536	1,600	956	2,366	-	-	39,614
Coverage ratio	5.17%	10.43%	4,418	-	11.05%				-		
Investment securities at FVOCI											
Rated AAA to AA-	60,055	-	-	-	60,055	3	-	-	-	309	60,052
Rated B+ to B-	5,337	-	-	-	5,337	309	-	-	-	312	5,028
	65,392	-	-	-	65,392	312	-	-	-	-	65,080
Coverage ratio	0.48%	0.00%	0.00%	0.00%	0.48%						
Financial commitments											
Rated B+ to B-	17,201	-	-	-	17,201	219	-	-	-	219	16,982
Rated CCC+ and below	-	-	-	-	-	-	-	-	-	-	-
	17,201	-	-	-	17,201	219	-	-	-	219	16,982
Coverage ratio	1.27%	0.00%	0.00%	0.00%	1.27%						

A reconciliation of changes in the maximum exposure to credit risk and corresponding allowance for ECL by stage are as follows:

United Bank for Africa (UK) Limited
Notes to Financial Statements

For the year ended 31 December 2024

US$'000	2024										
	Gross carrying amount					ECL					
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
Assets											
Cash at bank, 01 January 2024	91,788	-	-	-	91,788	538	-	-	-	538	91,250
New assets originated or purchased	82,513	-	-	-	82,513	3	-	-	-	3	82,510
Payments and assets derecognised	(71,973)	-	-	-	(71,973)	(509)	-	-	-	(509)	(71,464)
Cash at bank, 31 December 2024	102,328	-		-	102,328	32	-	-	-	32	102,296
Due from Banks, 01 January 2024	-	-		-	-	-	-	-	-	-	-
New assets originated or purchased	86,309	-	-	-	86,309	74	-	-	-	74	86,235
Payments and assets derecognised	-	-	-	-	-	-	-	-	-	-	-
Deposits from Banks, 31 December 2024	86,309	-	-	-	86,309	74	-	-	-	74	86,235
Loans and advances to banks, 01 January 2024	363,583	-	-	-	363,583	135	-	-	-	135	363,448
New assets originated or purchased	31,846	-		-	31,846	291	-	-	-	291	31,555
Payments and assets derecognised	(306,034)	-	-	-	(306,034)	-	-	-	-	-	(306,034)
Loans and advances to banks, 31 December 2024	89,395	-	-	-	89,395	426	-	-	-	426	88,969
Loans and advances to Customers, 01 January 2024	2,561	-		-	2,561	-	-	-	-	-	2,561
New assets originated or purchased	-	-	-	-	-	-	-	-	-	-	-
Payments and assets derecognised	(2,561)	-		-	(2,561)	-	-	-	-	-	(2,561)
Loans and advances to Customers, 31 December 2024	-	-	-	-	-	-	-	-	-	-	-
Debt instruments at amortised cost, 01 January 2024	30,953	9,165	-	-	44,536	1,600	956	2,366	-	4,922	39,614
Payments and assets derecognised	(7,667)	(9,165)		-	(21,250)	(364)	(956)	(2,366)	-	(3,686)	(17,564)
Transfers to stage 1	-	-	-	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-		-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	4,418	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	(4,418)	-	-	-	-	-	-	-	-
Credit quality related changes	-	-	-	-	-	-	-	-	-	-	-
Debt instruments at amortised cost, 31 December 2024	23,286	-	-	-	23,286	1,236	-	-	-	1,236	22,050
Investment securities at FVOCI, 01 January 2024	65,392	-	-	-	65,392	312	-		-	312	65,080
New assets originated or purchased	75,087	-	-	1,921	77,008	3	-	-	96	99	76,909
Payments and assets derecognised	(32,327)	-	-	-	(32,327)	(142)	-	-	-	(142)	(32,185)
Transfers to stage 1	(3,002)	3,002	-	-	-	(169)	169	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	348	-	-	348	(348)
Credit quality related changes	446	-	-	-	446	-	-	-	-	-	446
Investment securities at FVOCI, 31 December 2024	105,596	3,002	-	1,921	110,519	4	517	-	96	617	109,902
Financial commitments, 01 January 2024	17,201	-	-	-	17,201	-	-	-	-	-	17,201
New assets originated or purchased	24,810	-	-	-	24,810	-	-	-	-	-	24,810
Payments and assets derecognised	(16,102)	-	-	-	(16,102)	-	-	-	-	-	(16,102)
Financial commitments, 31 December 2024	25,909	-	-	-	25,909	-	-	-	-	-	25,909

For the year ended 31 December 2024

US$'000	2023										
	Gross carrying amount					ECL					
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Carrying amount
Assets											
Cash at bank, 01 January 2023	31,392	-	-	-	31,392						31,392
New assets originated or purchased	62,077	-	-	-	62,077	566	-	-	-	566	61,511
Payments and assets derecognised	-	-	-	-	(1,681)	(28)	-	-	-	(28)	(1,653)
Cash at bank, 31 December 2023	91,788	-	-	-	91,788	538	-	-	-	538	91,250
Deposits from Banks, 01 January 2023	-	-	-	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-	-	-	-	-	-	-
Payments and assets derecognised	-	-	-	-	-	-	-	-	-	-	-
Deposits from Banks, 31 December 2023	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to banks, 01 January 2023											
New assets originated or purchased	165	-	-	-	165	-	-	-	-	-	165
Payments and assets derecognised	363,418	-	-	-	363,418	135	-	-	-	135	363,283
Loans and advances to banks, 31 December 2023	363,583	-	-	-	363,583	135	-	-	-	135	363,448
Loans and advances to Customers, 01 January 2023											
New assets originated or purchased											
Payments and assets derecognised	2,561	-	-	-	2,561	-	-	-	-	-	2,561
Loans and advances to customers, 31 December 2023	2,561	-	-	-	2,561	-	-	-	-	-	2,561
Debt instruments at amortised cost, 01 January 2023	42,308	-	4,418		46,726	1,488	-	2,366	-	3,854	42,872
New assets originated or purchased	(2,190)	-	-	-	(2,190)	(60)	-	-	-	(60)	(2,130)
Transfers to stage 1	-	-	-	-	-	-	-	-	-	-	-
Transfers to stage 2	(9,165)	9,165	-	-	-	(134)	134	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-	-	-	-
Impacts on ECL of transfers	-	-	-	-	-	-	822	-	-	822	(822)
Credit quality related changes	-	-	-	-	-	306	-	-	-	306	(306)
Debt instruments at amortised cost, 31 December 2023	30,953	9,165	4,418	-	44,536	1,600	956	2,366	-	4,922	39,614
Investment securities at FVOCI, 01 January 2023											
New assets originated or purchased	60,055	-	-		60,055	3	-	-	-	3	60,052
Payments and assets derecognised	5,337	-	-	-	5,337	309	-	-	-	309	5,028
Investment securities at FVOCI, 31 December 2023	65,392	-	-	-	65,392	312	-	-	-	312	65,080
Financial commitments, 01 January 2023											
New assets originated or purchased	17,201	-	-	-	17,201	-	-	-	-	-	17,201
Payments and assets derecognised	-	-	-	-	-	-	-	-	-	-	-
Financial commitments, 31 December 2023	17,201	-	-	-	17,201	-	-	-	-	-	17,201

The movements of gross carrying amount of the financial assets, other than the debt instruments at amortised cost and FVOCI, are either caused by new assets originated/purchased or payments and assets derecognised.

Offsetting

The Bank's biggest counterparty by volume is UBA plc, the parent bank.

1.1. The Bank has a collateral netting agreement with UBA Plc to manage the associated credit risk and concentration risk. This arrangement captures all obligations of UBA Plc toward the Bank and enables the Bank to offset its assets against the Parent bank's liabilities in the case of the Parent bank's default. The offsetting right is a legal right to settle, or otherwise eliminate, all or a portion of an amount due by applying an amount receivable from the same counterparty against it, thus, reducing credit exposure. The condition for offsetting criteria as per IAS 32 is not satisfied or met.

   The document has been assessed as meeting all requirements for the purposes of credit risk mitigation as set out in Article 194(1) of EU Regulation No. 575/2013 as assimilated into UK law by the European Union (Withdrawal) Act 2018 read together with any CRR rules as defined in section 144A of the Financial Services and Markets Act 2000.

Financial assets subject to offsetting (netting agreement)

US$'000	2024								
	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Assets not subject to netting agreement	Maximum exposure to risk	
	Gross asset before offset	Offset with gross liabilities	Net assets recognised on the statement of financial position	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised on the statement of financial position	Total assets recognised on the statement of financial position	After consideration of netting potential
Loans and advances to bank	75,497	-	75,497	-	(75,497)	-	13,471	88,969	13,471
	75,497	-	75,497	-	(75,497)	-	13,471	88,969	13,471

US$'000	2023								
	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Assets not subject to netting agreement	Maximum exposure to risk	
	Gross asset before offset	Offset with gross liabilities	Net assets recognised on the statement of financial position	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised on the statement of financial position	Total assets recognised on the statement of financial position	After consideration of netting potential
Loans and advances to bank	358,121	-	358,121	-	(358,121)	-	5,327	363,448	5,327
	358,121	-	358,121	-	(358,121)	-	5,327	363,448	5,327

Financial liabilities subject to offsetting (netting agreement)

US$'000	2024								
	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Assets not subject to netting agreement	Maximum exposure to risk	
	Gross asset before offset	Offset with gross liabilities	Net assets recognised on the statement of financial position	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised on the statement of financial position	Total assets recognised on the statement of financial position	After consideration of netting potential
Deposits from banks	75,497	-	75,497	(75,497)	-	-	297,906	373,403	297,906
	75,497	-	75,497	(75,497)	-	-	297,906	373,403	297,906

US$'000	2023								
	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Assets not subject to netting agreement	Maximum exposure to risk	
	Gross asset before offset	Offset with gross liabilities	Net assets recognised on the statement of financial position	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised on the statement of financial position	Total assets recognised on the statement of financial position	After consideration of netting potential
Deposits from banks	358,121	-	358,121	-	(358,121)	-	-	493,214	135,093
	358,121	-	358,121	-	(358,121)	-	-	493,214	135,093

Concentration risk

Exposures are highly concentrated by country, industry sector and counterparty as a result of the Bank's historical role within the UBA Group. The Bank's main counterparty was UBA Plc, causing counterparty concentration risk as reflected by the Herfindahl-Hirschman Index ("HHI") to be high. There is a legally effective and enforceable netting agreement with UBA Plc which substantially reduces the net exposure.

Liquidity risk

Liquidity risk is the risk that the Bank is not able to meet its financial obligations as they fall due. The Bank's exposure to liquidity risk is limited as trade assets are match funded where possible. Group originated trade finance assets are 100% collateralised by encumbered deposits from Group. To ensure intra- day liquidity risk is mitigated, the Bank has a robust pre-transaction approval process to ensure funding is in place, previous day's trades are settled, and upcoming assets are repaid at maturity. The Bank held HQLA assets at fair value through other comprehensive income, including collective investment undertakings of US$154.2m as at 31 December 2024 (2023: US$107.6m) which provided a liquidity buffer.

The bank sets robust liquidity limits through the board approved risk appetite and operational limit through an independent risk unit. The Bank calculates a 30day Liquidity Coverage Requirement; the ratio of liquidity buffer to net outflows (implied if positive) under 30 days and maintains this ratio above 130%. The board further requires the net of outflows and inflows to be positive under 92days.

Liquidity risk measurement and management are outlined in and governed by relevant internal policies.

The following tables detail the Bank's expected maturity for its financial assets and liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest earned on those assets and undiscounted cash flows of financial liabilities including interest payable based on the earliest date which the Bank can be required to pay. The tables include both interest and principal cash flows. The inclusion of information on financial assets and liabilities is necessary to understand the Bank's liquidity risk management as liquidity is managed on a net asset and net liability basis.

	Less than 1 month US$'000	1 - 3 months US$'000	3 months to 1 year US$'000	1 - 5 years US$'000	More than 5 years US$'000	Total US$'000
As at 31 December 2024						
Financial assets						
Cash and cash equivalent	102,391	-	-	-	-	102,391
Due from banks	6,564	50,789	29,771			87,124
Loans and advances to banks	37,339	42,132	-	11,592	-	91,063
Loans and advances to customers	-	-	-	-	-	-
Investment securities	90,248	27,001	37,314	27,107	2,017	183,687
Other assets	4,383	265	-	-	-	4,648
Total undiscounted financial assets	240,925	120,187	67,085	38,699	2,017	468,913
Financial liabilities						
Deposits from banks	134,678	113,145	126,558	-	-	374,381
Deposits from customers	3,555	3,071	3,312	-	-	9,938
Lease liability	20	62	184	901	-	1,167
Other liabilities	3,988	-	-	-	-	3,988
Total undiscounted financial liabilities	142,241	116,278	130,054	901	-	389,474
Total net undiscounted financial assets/(liabilities)	98,684	3,909	(62,969)	37,798	2,017	79,439
Financial commitments Letters of credit	13,434	3,842	3,176	5,457	-	25,909

For the year ended 31 December 2024

	Less than 1 month US$'000	1 - 3 months US$'000	3 months to 1 year US$'000	1 - 5 years US$'000	More than 5 years US$'000	Total US$'000
As at 31 December 2023						
Financial assets						
Cash and cash equivalent	73,085	18,402	-	-	-	91,487
Due from banks	-	-	-	-	-	-
Loans and advances to banks	121,736	236,822	9,818	-	-	368,376
Loans and advances to customers	2,561	-	-	-	-	2,561
Investment securities	42,696	14,093	24,750	72,123	-	153,662
Other assets	2,839	-	-	-	-	2,839
Total undiscounted financial assets	242,917	269,317	34,568	72,123	-	618,925
Financial liabilities						
Deposits from banks	199,307	73,073	228,225	-	-	500,605
Deposits from customers	34,372	-	3,153	-	-	37,525
Lease liability	21	62	186	1,168	-	1,437
Other liabilities	2,642	-	-	-	-	2,642
Total undiscounted financial liabilities	236,342	73,135	231,564	1,168	-	542,209
Total net undiscounted financial assets/(liabilities)	6,575	196,182	(196,996)	70,955	-	76,716
Financial commitments Letters of credit	5,126	5,224	6,851	-	-	17,201

Operational risk

Operational risk is the risk of loss to the Bank from inadequate or failed processes or systems, human factors or due to external events (e.g. fraud) where the root cause is not due to credit or market risks.

Operational risk has been reduced by the implementation of the Operational Risk framework and the Bank incurred immaterial operational losses during 2024 of circa US$51k (2023: US$136k).

It is also worth noting that the Bank's operational resilience was substantially improved. UBA UK has reviewed its important business services and impact tolerances and put in place systems and controls that the Bank will operate going forward.

Vulnerabilities and plausible scenarios were identified by the working group. Some basic tests have been conducted but scenarios need to evolve and become more complex. A system has been identified to assist with this and ensure this requirement is firmly embedded. This system will also assist with Business Continuity testing. Reports are also being provided quarterly but continue to evolve and this thematic feedback will influence the content and focus of the reports going forward.

32. Related party transactions

Key management personnel compensation

	2024 US$'000	2023 US$'000
Short term employee benefits	2,153	1,870
Post-employment pension benefits	121	95
	2,274	1,965

Key management personnel are defined as those having responsibility for planning, directing and controlling the activities of the Bank and include members of the Executive Committee and the Company Secretary.

Transactions with related parties

The following represent notional amounts that were transacted with the parent and fellow subsidiaries:

	2024 US$'000	2023 US$'000
Foreign exchange transactions	687,096	873,807
Trade related transactions	20,301	46,300
	707,397	920,107

Financial commitments outstanding with related parties

The following off-balance sheet items are letters of credit and guarantees outstanding at the end of the reporting year in relation to transactions with related parties:

Financial commitments

	2024 US$'000	2023 US$'000
Amount due from parent bank	15,733	9,409
Amount due from fellow subsidiaries	7,000	-
	22,733	9,409

Loans to/from related parties

A number of banking transactions were entered into with related counterparties within the UBA Group in the normal course of business. These include loans and deposits. Outstanding balances at the year end and related party income for the year are as follows:

Assets

	2024 US$'000	2023 US$'000
Loans due from parent bank (fully cash collaterised)	75,497	358,121
Deposits due from parent bank (fully cash collaterised)	40,161	7,580
Amount due from fellow subsidiaries	393	14
	116,051	365,715

Liabilities

	2024 US$'000	2023 US$'000
Amount due to parent bank	173,937	427,796
Amount due to fellow subsidiaries	65,806	14,859
	239,743	442,655

Interest income

	2024 US$'000	2023 US$'000
Amount due from parent bank	33,038	41,852
Amount due from fellow subsidiaries	4	-
	33,042	41,852

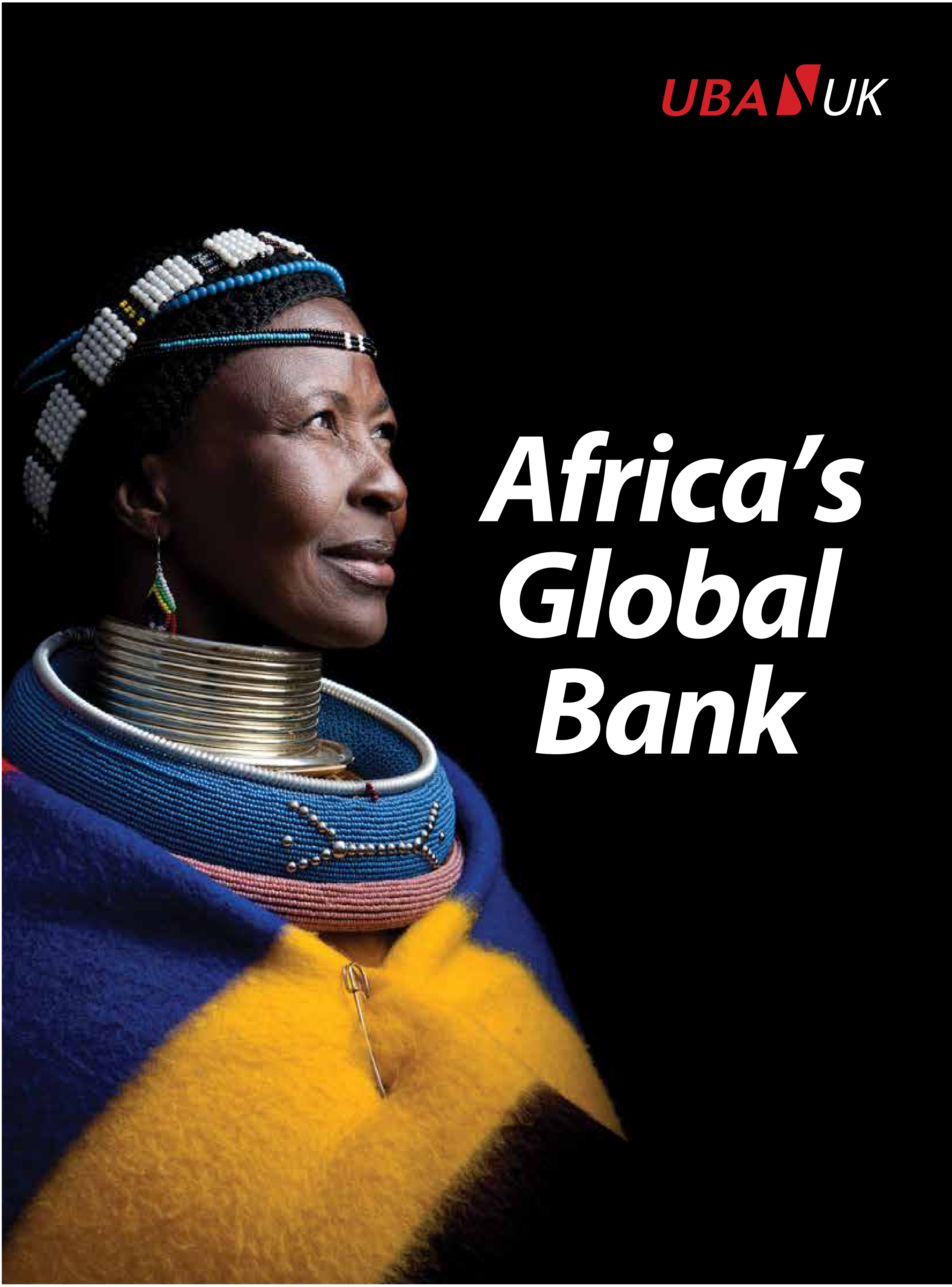
Interest expense

	2024 US$'000	2023 US$'000
Amount due to parent bank	12,818	18,340
Amount due to fellow subsidiaries	2,079	742
	14,897	19,082

33. Parent undertaking and controlling party

The immediate parent bank and ultimate controlling party is UBA Plc, a bank incorporated in Nigeria. UBA Plc owns 100% (2023: 100%) of the share capital of UBA UK.

Details of fellow subsidiaries and representative offices of the UBA Group and copies of the UBA Group annual report and financial statements may be obtained from United Bank for Africa Plc, 57 Marina, Lagos, Nigeria or on the website: www.ubagroup.com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