



ZENITH BANK (UK) LIMITED

PILLAR 3 DISCLOSURES FOR THE YEAR ENDED

DECEMBER 31, 2025

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## 1. Overview and Approach.

### 1.1. General Provisions.

The Pillar 3 disclosures have been prepared by the Bank in accordance with the UK Prudential Regulatory Authority (PRA) Capital Requirement Regulations (CRR) and associated disclosure section of the PRA Rulebook. The disclosures should be read in conjunction with the Directors' Report and Financial Statements published in Zenith Bank (UK) Limited ("Bank," "ZBUK," "Zenith UK") 'Annual Report' 2025.

Article 20.5 requirements	Disclosure
a) disclosure reference period	January 1, 2025, to December 31, 2025
b) reporting currency	United States Dollar (US\$)
c) name and legal entity identifier (LEI)	Zenith Bank UK Limited: 213800HXR6XZKC2G7U74 Zenith Bank UK Limited (Paris): 213800MZ9LBK86AO1A58
d) accounting standard	International Financial Reporting Standards (IFRS)
e) scope of consolidation	Unconsolidated (Zenith Bank UK Limited includes London headquarters, Paris branch, and Dubai representative office)

### 1.2. Basis of Disclosures.

The following table maps the CRR requirements to the location for the relevant disclosure.

CRR	Pillar 3 disclosure	Pillar 3 section
20.5	General Provisions	1.1
431	Disclosure requirements and policies	1.3
433	Frequency and scope of disclosures	1.3
433c	Disclosures by other institutions	1.3
434	Means of disclosures	1.3
435.1. a + d	Risk management (strategies and processes to manage risks)	5.2, 6.2, 7.2, 8.2
435.1. e	Risk management (Board declaration of adequacy)	3.3
435.1. f	Risk management (Board approved concise risk statement)	3.2
435.2. a	Risk management (Board member directorships)	4.1
435.2. b	Risk management (Board member recruitment policy)	4.2
435.2.c	Risk management (Board member diversity policy)	4.2
437.a	Disclosure of own funds (reconciliation of capital)	11
438.c	Disclosure of own funds requirements (ICAAP results)	11
438.d	Disclosure of own funds requirements (exposure by category)	11
447	Disclosure of key metrics	10

### 1.3. Disclosure Policy, Frequency, and Publication.

It is the Bank's policy to disclose the information identified above on an annual basis as follows:

- In terms of applicable disclosures, the Bank is a non-listed other institution under article 433c and as a small CRR firm (under GBP 4bn total assets) it no longer provides article 450 remuneration disclosures.
- The Bank has previously voluntarily provided IRRBB disclosures, but the figures are no longer considered sufficiently material to merit volunteering it for readers.

It is the Bank's policy to ensure Pillar 3 disclosures are subject to the same level of internal review as the 'Annual Report'. This report has been validated by senior management and approved by the Bank's Board prior to publication on the Bank's website at "<https://www.zenith-bank.co.uk/pillar-3/>."

## 2. Business profile.

### 2.1. An Overview of Zenith Bank (UK) Limited.

ZBUK is an authorised institution under the Financial Services and Markets Act 2000 and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). The Bank's reference number is 451720.

ZBUK was incorporated in the United Kingdom on 17th February 2006. The Bank's registered number is 05713749. The registered office and principal place of business is in England and situated at 39, Cornhill, London EC3V 3ND.

The Bank received authorisation from the former Financial Services Authority as a wholesale bank licenced to accept deposits on March 30, 2007. On July 15, 2008, the Financial Services Authority granted a variation to the original permissions to include the provision of private banking and investment advice and services to retail customers, professional customers, and eligible counterparties.

### 2.2. International operations.

The Bank opened an operation in Dubai on October 7, 2015, which is registered at Office unit N1303-B, North Tower, Emirates Financial Towers, DIFC, PO Box 507015, Dubai, United Arab Emirates. The branch is regulated by the Dubai Financial Services Authority (DFSA) and the DFSA reference number is F002652.

The Bank opened a branch in Paris on November 27, 2024, at 21 rue de la Paix, Paris, 75002, France. The branch is regulated by L'Autorité de contrôle prudentiel et de résolution (ACPR) and the national identifier or Système d'Identification du Répertoire des Entreprises (SIREN) is 980328397 and the bank code or Code interbancaire (CIB) is 17858.

### 2.3. ZBUK's Parent.

The Bank is fully owned by the parent and ultimate parent undertaking, Zenith Bank Public limited company (ZBPLC). ZBPLC is one of the largest and most profitable banks in Nigeria providing banking and other financial services to corporate and individual customers including deposit taking from the public, granting of loans and advances, corporate finance, and money market activities. ZBPLC was established in May 1990 and started operations in July of that same year as a commercial bank.

It became a public limited company on June 17, 2004, and listed on the Nigerian Stock Exchange on October 21, 2004. It also listed on the London Stock Exchange on March 21, 2013 (as ZENB).

### 2.4. Principal Activities.

The Bank's core target markets, and business lines are as follows:

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

### 2.5. ZBUK Business Strategy.

ZBUK's strategy is predicated on long-term stability and sustainability, acting in customers best interests by building long-term relationships to satisfy customer needs and ensuring ZBUK is sufficiently capitalised and liquid to do so through market-wide and idiosyncratic stress events.

The Board has approved several strategic objectives that are intended to drive the business forward in a controlled approach, which best serves the wider needs of the Zenith Group of companies.

The Board convenes a Strategy Committee to discuss and make recommendations for the Board to then set the Bank's strategy for business projections and strategic objectives. This considers any changes to the business structure, market conditions or economic and regulatory changes.

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

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

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

### 3. Risk Management Assessment.

The Bank's Risk Appetite Statement (RAS) defines the level of risk that ZBUK is prepared to accept across the risk spectrum and is a key input to decision-making processes, informing financial planning, strategy formulation, product development and changes to business initiatives. Zenith UK's RAS sets out qualitative and quantitative metrics that cover prudential, credit, operational, and market risks.

#### 3.1. Categories of Risk.

The Bank has identified its Principal Risks (level 1 risks) in the 'Annual Report' as Regulatory and Compliance, Operational, Credit, Prudential, Financial Crime, Conduct, Business and Strategic, and Market Risk in that order. Underneath these sit level 2 and level 3 risks, giving more individual granularity to risks.

The Bank discusses the strategies and risk management processes (including any hedging and risk mitigation) are discussed for each of the following risks: Credit, Liquidity, Market, and Operational, in sections 5, 6, 7, and 8, respectively. Other risks are discussed in more detail in the 'Annual Report.'

The following table shows how the Bank's risks map to the prescribed Pillar 3 risk categories:

ZBUK's Principal Risk	Pillar 3 Disclosure
Regulatory and Compliance	8. Operational Risk
Operational	8. Operational Risk
Credit	5. Credit Risk
Prudential*	6. Liquidity Risk
Financial Crime	8. Operational Risk
Conduct	8. Operational Risk
Business and Strategic	9. Other Risks **
Market	7. Market Risk

\* Under level 1 Prudential Risk sits a level 2 risk "Liquidity and Funding Risk".

\*\* Under "Other Risks" the Bank has noted level 2 "Environmental, Social, and Governance / Climate Change Risk".

#### 3.2. Risk Statement.

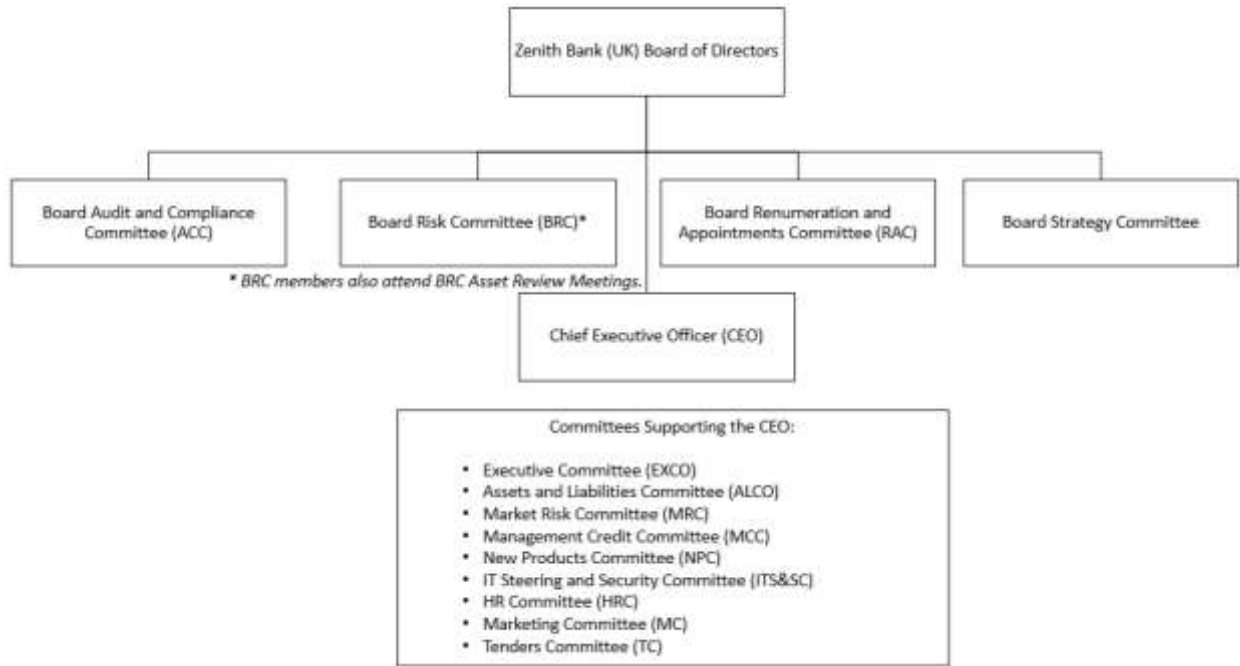
The Business and Operational risks are managed through the implementation of its Enterprise Risk Management Framework (ERMF) and supported by a conservative risk culture. The Bank's risk management structure includes established processes of compiling and reporting against key risk indicators that provide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

#### 3.3. Declaration on Adequacy of Risk Management Arrangements.

The Bank's Board is satisfied that the risk management systems and processes that are in place are adequate, given the size and complexity of the Bank, for the management of all principal risks to within the Board approved Risk Appetite.

#### 3.4. Risk Governance Structure.

The following provides a diagrammatic overview of risk management assurance and oversight.



The Board has established four sub-committees:

Committee	Responsibilities
<b>Board Risk Committee (BRC)</b>	The BRC oversees the Bank’s risk management framework, ensuring that significant or principal risks are identified, assessed, mitigated and monitored effectively. The Committee also provides independent oversight of the Bank’s risk profile, ensuring that risk-taking, which encompass existing and new business initiatives, aligns with the Bank’s strategic objectives and risk appetite. BRC members also attend BRC Asset Review meetings (BRAC) to separately discuss the credit position and key metrics.
<b>Board Audit &amp; Compliance Committee (ACC)</b>	The ACC oversees the Bank’s compliance with legal and regulatory requirements. It also reports on aspects of the statutory audit to the Board, monitoring the financial reporting process, reviewing the independence of the statutory auditor, and is responsible for the procedures regarding the selection of the statutory auditor. The ACC monitors the effectiveness of the Bank’s internal quality control and risk management systems, including the Bank’s internal audit and compliance functions.
<b>Board Remuneration &amp; Appointments Committee (RAC)</b>	The RAC is responsible for considering the remuneration and contractual arrangements of directors and senior staff, having regard to a general policy framework for executive remuneration established by the Board. It supports the Board to ensure that the Bank attracts and retains top talent and also ensure that there is robust governance around the appointment of executives. The RAC also has responsibility to consider and monitor how the Bank actively demonstrates the promotion of diversity.
<b>Board Strategy Committee</b>	The Strategy Committee is responsible for overseeing the development, implementation and monitoring of the Bank’s long term strategic vision. It also recommends major strategic and policy initiatives to the Board.

The CEO is supported by the following management committees:

Committee	Responsibilities
<b>Executive Committee (EXCO)</b>	The EXCO is a management decision making body that is responsible for the implementation of the Bank’s strategy and managing the Bank in a sound, prudent, and ethical manner. The EXCO sets the terms of reference for all the sub- committees below and ensures their compliance with their respective terms of reference.
<b>Asset &amp; Liability Committee (ALCO)</b>	ALCO manages the Bank’s balance sheet within the defined risk appetite and risk/return preferences set by the Board. ALCO provides the Bank with the ability to continuously assess current asset and liability management (ALM) direction, liquidity management and reporting and balance sheet structure.
<b>Market Risk Committee (MRC)</b>	MRC monitors the Bank’s positions in terms of interest and exchange rates, assessing market volatility and key market trends. MRC reviews market risk strategy and sets key limits for all market risks for foreign exchange and other trading and the reporting thereof. The committee reports to ALCO.

Committee	Responsibilities
<b>Management Credit Committee (MCC)</b>	MCC oversees the Bank's credit risk exposure and approves credit-related decisions, including loans, credit lines, and other forms of credits granted to customers. This committee evaluates credit proposals and sets the general guidelines and counterparty limits within the terms and conditions of the Board-approved policies and risk appetite. MCC reviews requests for new credit limits, amendments or change of terms, covenants, and pricing before obtaining ZBPLC Global Credit Committee (GCC) concurrence and BRC's approval as appropriate. It ensures that the Bank's credit portfolio remains aligned with the Bank's risk appetite, regulatory requirements, and business strategy.
<b>New Products Committee (NPC)</b>	This committee is responsible for overseeing the development, approval and successful launch of new products and services. The committee ensures that new offerings align with the Bank's. The committee reports to EXCO.
<b>IT Steering &amp; Security Committee (ITS&amp;SC)</b>	ITS&SC is responsible for overseeing ZBUK's IT strategy, governance, and cybersecurity practices. The Committee ensures that IT initiatives align with the Bank's business objectives whilst maintaining security, regulatory compliance and effective risk management. It also provides oversight on major technology investments, data protection, and ZBUK's ability to respond to cyber threats.
<b>HR Committee (HRC)</b>	HRC reviews changes to HR policies and provides the RAC with promotion recommendations for staff. HRC discusses any material HR matters that need urgent consideration. The committee reports to EXCO.
<b>Marketing Committee (MC)</b>	The Marketing Committee is responsible for planning and agreeing, a marketing plan to support the marketing and business strategies of the Bank, including promoting the Bank at industry events and horizon scanning for competitor activity. The committee reports to EXCO.
<b>Tenders Committee (TC)</b>	TC is responsible for overseeing the procurement process, ensuring it is fair, transparent, compliant with regulations, and aligned with the Bank's objectives by robustly evaluating proposals and quotes so that contracts are awarded to ensure value for money, mitigate risk, and support compliance with regulations and the Bank's internal policies. The committee reports to EXCO.

The 'Senior Managers and Certification Regimes' (SMCR), was fully implemented in March 2016 and has enhanced individual responsibilities and accountabilities of the key functions of the Bank. The regime applies to all employees and stipulates expectations in terms of behaviour and duties and is formally acknowledged by all staff at least annually. In line with this, various responsibilities have been defined and allocated amongst several Committees and personnel.

### 3.5. Three Lines of Defence.

The Bank's risk management model adopts the 'Three Lines of Defence' approach. The Three Lines of Defence model enhances the understanding of risk management and control by clarifying roles and duties throughout the Bank. The model provides the structure and guidance for assigned roles and responsibilities of all functions to increase the effective management of risk and control.

The Board and senior management help ensure that the Three Lines of Defence model is reflected in the organisation's risk management and control processes.

#### First Line – Functions that Own and Manage Risks.

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

#### Second Line – Functions that Oversee Risks.

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

#### Third Line – Functions that Provide Independent Assurance.

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

## 4. Governance Arrangements.

### 4.1. Board Directorships.

ZBUK's directorships held by respective directors on December 31, 2025.

Director Name	Role	Directorships
Dame Adaora Umeoji OON	Chair of the Board SMF9	4
Anthony Akindele Ogunranti	Non-Executive Director (NED) SMF7	2
Alex Shapland	Independent Non-Executive Director SMF10	2
Andy Gregson	Independent Non-Executive Director SMF11	4
Dokun Omidiora	Independent Non-Executive Director SMF12	2
Isla MacLeod	Independent Non-Executive Director	1
Udu Ovbiagele	Chief Executive Officer SMF1	1

### 4.2. Board Recruitment and Diversity Policies.

The Board, led by the Chair, decides on its own recruitment needs and composition with the aims of:

- Maintaining a sufficient mix of independent NEDs to executives and ZPLC directors.
- Ensuring a sufficient mix of knowledge, skills, and expertise.

The following Board changes were made in 2025:

- Dame Adaora Umeoji OON was appointed Chair of the Board on February 26, 2025.
- Anthony Akindele Ogunranti was appointed to the Board on February 27, 2025<sup>1</sup>.
- Ebenezer Onyeagwu resigned from the Board on March 17, 2025.

ZBUK is committed to the principle of equal opportunities in employment for all employees. This principle is also applicable to the membership of the Board. The RAC is responsible for considering and monitoring the Bank's efforts in promoting diversity.

<sup>1</sup> Appointment date is correct here and correct in 2024 'Annual Report', but one day out in the 2025 'Annual Report'.

## 5. Credit Risk.

### 5.1. Definition – Credit Risk.

Risk arising from the uncertainty of an obligor's ability to perform its contractual obligations, including the risk of default or a borrower failing to make required payments when they fall due.

The Bank is exposed to credit risk through its lending activities, commitments to extend credit, guarantees, letters of credit, securities purchased and derivative instruments where counterparties owe a financial obligation to the Bank.

### 5.2. How Risks are Mitigated and Managed – Credit Risk.

All credit-related processes and limits are governed by the Bank's credit policy. The Credit RAS and Key Risk Indicators are reported to the Executive and the BRC.

Relationship managers ensure credit application, review, and monitoring processes are aligned with policy.

The Credit Risk function independently monitors exposures and limits, provides counterparty assessment and internal ratings, supports Expected Credit Loss (ECL) measurement, and monitors collateral quality.

Multiple levels of approval exist at the Bank and Group levels, with Board approvals required for larger credit requests.

Concentration limits are applied across counterparties, sectors, and countries to support diversification.

### 5.3. Counterparty Credit Risk.

Counterparty credit risk arises from the risk of the counterparty to a market risk transaction defaulting before the final settlement of the transaction, and the market value of the transaction moving in the favour of the Bank.

For the Bank, the credit risk related element of this arises from bond repurchase agreement (repo) or derivative transaction like a foreign exchange forward. To reduce this risk, the Bank transacts repurchase agreements with large stable banking counterparties and arranges cash margin arrangement for foreign exchange with all counterparties.

An additional, market risk related element of this is Credit Valuation Adjustment (CVA) arises from a deterioration in the credit quality of the counterparty having a negative effect on the value of the derivative. CVA gives an indication of the cost of hedging the counterparty credit risk of a derivative.

The UK OV1 table in section 11.2 quantifies these two risks for the Bank.

### 5.4. Additional Quantitative Analysis.

The 'Annual Report' includes additional analysis on credit risk management as presented below:

Topic	'Annual Report' note
Commitments and contingencies	note 35
Expected Credit Loss	note 37
Collateral analysis	note 37
Country risk breakdown	note 37
Credit Quality Step (CQS) breakdown	note 37
Sectoral breakdown of loans and advances	note 37
Capital resources	note 37
Share capital and reserves	note 38

## 6. Liquidity Risk.

### 6.1. Definition – Liquidity and Funding Risk.

Within Prudential risk, the Bank has defined Liquidity and Funding Risk as the risk of ZBUK's inability to meet its financial obligations as they come due, due to an inability to access sufficient funds or liquid assets. This risk can arise from a mismatch between the timing of cash inflows and outflows, unexpected withdrawals, or market disruptions affecting the availability of funding sources or monetise assets.

### 6.2. How Risks are Mitigated and Managed – Liquidity and Funding Risk.

Liquidity risk is managed through Board-approved risk appetite metrics covering liquidity, supported by oversight via ALCO and the BRC. Liquidity adequacy is assessed through Internal Liquidity Adequacy Process (ILAAP), including severe-but-plausible stress testing, early warning indicators and defined management actions.

The Bank maintains a high-quality liquidity buffer and diversified funding profile, supported by contingency funding planning and periodic testing of recovery actions.

Mitigation and management controls for the level 2 Liquidity and Funding risk include:

- Management information reporting on liquidity, including stress testing of internal liquidity measures daily (and annually through the ILAAP).
- A funding diversification strategy that includes contingent funding sources.
- The holding of bonds eligible for repo and maintenance of repo counterparty lines.

### 6.3. Additional Analysis.

The 'Annual Report' includes additional analysis on liquidity risk management that includes an undiscounted contractual cashflow maturity analysis of assets and liabilities in note 37.

## 7. Market Risk.

### 7.1. Definition – Market Risk.

This is the risk that changes in financial market prices, interest rates, and exchange rates adversely impact the Bank's financial performance and position.

### 7.2. How Risks are Mitigated and Managed – Market Risk.

Market risk related processes are governed by a Board-approved Market Risk policy.

Risk Management monitors positions against limits daily, with reporting provided to the Bank's ALCO and escalation of significant matters to the BRC.

Interest rate and FX risks are managed within risk appetite through ongoing monitoring, stress testing, and oversight of repricing and exposure profiles to ensure resilience under a range of market conditions.

#### Pre-settlement Risk.

The Bank settles bonds under English law and on a 'delivery versus payment' (DVP) basis, which means that cash and bond ownership are only exchanged simultaneously. While this enforces clearing at the agreed trade price, it does not prevent instances of 'delayed settlement' and consequently the 'pre-settlement risk' of a counterparty not proceeding with the trade and thus requiring the Bank to close out its position (at prevailing market rates).

The Bank has adopted a risk-based approach to establishing settlement limits with counterparties based on factors that include the size of their balance sheet or assets under management, and their jurisdiction. Applicable delayed settlements are monitored daily, and counterparty limits temporarily adjusted by any unsettled amount to further mitigate this risk.

#### Foreign Exchange (FX) Risk.

The Bank's functional and reporting currency is the US\$, while Great British Pounds Sterling (GBP) and Euros (EUR) are recognised as the other main currencies. On December 31, 2025, US\$ accounted for 67% (2024: 74%) of the Bank's liabilities balance sheet. Other currencies of significant size include GBP 23% (2024 21%) and EUR 10% (2024 5%), with <1% (2023 <1%) in other currencies.

The foreign currency position is managed by the Bank's Treasury Department, which operates within defined foreign exchange limits set by the BRC and monitored by ALCO. Customer positions are usually matched with the market, with deals agreed and covered before execution. The overall position is monitored by the Risk Management department throughout the day.

#### Interest Rate Risk in the Banking Book (IRRBB).

The Bank's IRRBB Framework is based on the nine underlying Basel principles. The Board has approved a capital investment strategy to invest capital evenly over a five-year period in fixed rate loans and bonds.

Interest Rate risk is monitored at ALCO meetings. The Bank's ALCO meets weekly to monitor changes in interest rates in various currencies arising from gaps in the future dates of the repricing of assets, liabilities, and derivative instruments.

#### Trading Book.

The Bank maintains a 'small trading book' (current Risk Appetite limits are well within CRR article 94 requirements of under 5% of total assets and under GBP 44m).

What constitutes 'trading book' is based on a conscious decision to take a position for the sole purpose of short-term gain, as opposed to 'banking book' that consists of both items held-to-maturity (HTM) and items available-for-sale (AFS), but are not purchased solely for short-term gain.

The trading book consists of fair-value-through-profit-and-loss (FVTPL) financial instruments in the form of bonds and net open foreign exchange positions (purchased from the Banking book).

The Risk department monitors and reports on these positions daily against agreed limits and the weekly Market Risk Committee oversees the Bank's trading book performance as part of its terms of reference.

### 7.3. Additional Analysis.

The 'Annual Report' includes additional analysis on market risk management as indicated below:

Topic	'Annual Report' page
Repurchase agreements and other similar secured borrowing	note 30
Exchange rate risk	note 37
Foreign currency sensitivity	note 37
Interest rate risk	note 37

## 8. Operational Risk.

### 8.1. Definition – Operational Risk.

This is the risk of loss resulting from inadequate or failed internal processes, human behaviour, and systems, or from external events. This includes risks arising from change delivery, technology resilience and cyber security, third-party dependency, data quality and processing, and people risks (capacity, capability and key person dependency).

### 8.2. How Risks are Mitigated and Managed – Operational Risk.

Operational risk processes are governed by the Operational Risk policy approved by the Board.

Controls are embedded in the day-to-day processes, supported by incident reporting, Key Risk Indicators (KRIs) and independent assurance from Internal Audit.

Material change is managed through governance and change control processes, including oversight of delivery risk and third-party performance.

Technology and cyber risks are managed through a layered control environment, including information security governance, incident response, access controls, supplier due diligence, and regular operational resilience and business continuity testing.

### 8.3. Additional Analysis.

The 'Annual Report' includes additional commentary on other operational risks, such as Regulatory and Compliance Risk, Financial Crime Risk, and Conduct Risk.

## 9. Other Risks.

### 9.1. Business and Strategic

#### Definition – Business and Strategic Risk.

This is the risk that the Bank's strategy is not effectively defined or executed, or that changes in the external environment adversely affect the Bank's ability to achieve its objectives.

This includes risks arising from macroeconomic, geopolitical and market developments, competitive dynamics, business mix, and execution of international expansion.

#### How Risks are Mitigated and Managed – Business and Strategic Risk.

The risk is managed through Board-approved strategy and financial planning, supported by the Risk Appetite Statement, regular performance monitoring, and horizon scanning.

Strategic initiatives are assessed for capital and liquidity risk, and operational feasibility. Management actions are taken where conditions diverge from plan.

### 9.2. Environmental, Social, and Governance / Climate Change Risk.

#### Definition – Environmental, Social, and Governance / Climate Change Risk.

This risk refers to the risk of financial or reputational losses arising from failure to implement and adhere to sufficiently robust Environmental, Social, and Governance /Climate controls.

This includes the risk of ZBUK failing to meet its regulatory obligations in relation to climate change and/or enhanced regulatory scrutiny as a result, as well as the direct or indirect impact of deteriorating climate conditions and the transition to a low-carbon economic environment.

#### How Risks are Mitigated and Managed – Environmental, Social, and Governance / Climate Change Risk.

Individual Credit Application Memorandums (CAMs) have a dedicated section on Climate Related Financial Risks (CRFR) that consider questions for physical and transition risks in compliance with Credit Risk appetite.

At a portfolio level, climate change risk is then re-assessed and considered in the Internal Capital Adequacy Assessment Process (ICAAP), including due consideration of Climate Scenario Analysis (CSA).

## 10. Key Metrics.

A table of relevant key risk metrics (UK KM1) is provided as follows to evidence the Bank remains both well capitalised and very liquid:

Available own funds (US\$)	December 31, 2025	December 31, 2024
Common Equity Tier 1 (CET1) capital	431,376 k	378,325 k
Tier 1 capital	431,376 k	378,325 k
Total capital	431,376 k	378,325 k
<b>Risk-weighted exposure amount</b>		
Total risk-weighted exposure amount*	1,843,312 k	1,475,750 k
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>		
Common Equity Tier 1 ratio (%)	23.40%	25.64%
Tier 1 ratio (%)	23.40%	25.64%
Total capital ratio (%)	23.40%	25.64%
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>		
Total SREP own funds requirements (%)	14.04%	14.04%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>		
Capital conservation buffer (%)	2.50%	2.50%
Institution specific countercyclical capital buffer (%)	0.56%	0.43%
Combined buffer requirement (%)	3.06%	2.93%
Overall capital requirement (%)	17.10%	16.97%
CET1 available after the total SREP own funds requirements (%) **	9.36%	11.60%
<b>Leverage ratio</b>		
Total exposure measure excluding claims on central banks	3,171,798 k	2,987,483 k
Leverage ratio excluding claims on central banks (%)	12.08%	11.25%
<b>Liquidity Coverage Ratio (LCR)</b>		
	Average of 2025	Average of 2024
Total high-quality liquid assets (HQLA) (Weighted value – average.)	952,538 k	1,013,789 k
Cash outflows – Total weighted value (average of last 12-months.)	896,970 k	714,951 k
Cash inflows – Total weighted value (average of last 12-months.)	544,428 k	408,131 k
Total net cash outflows (adjusted value)	352,543 k	306,820 k
Liquidity coverage ratio (%) ***	270.19%	330.42%
<b>Net Stable Funding Ratio (NSFR)</b>		
	Average of 2025	Average of 2024
Total available stable funding (average of last four quarters.)	1,316,936 k	1,136,904 k
Total required stable funding (average of last four quarters.)	948,441 k	768,308 k
Net Stable Funding Ratio (%) ***	138.85%	147.98%

\*Risk Weighted Exposure Amount (RWEA) reflects updated operational risk Basic Indicator Approach figures for audited accounts shown in section 11.2, below in both 2025 and 2024 figures.

\*\* Because all the Bank's capital is CET1, this has been shown as the difference between CET1 and Total SREP own funds requirement. Ordinarily 56.25% of the Total SREP own funds requirement would be CET1.

\*\*\*The LCR and NSFR ratios are calculated from the simple averages each year (for example NSFR average ratio is the average ASF US\$1,316,936k / the average RSF US\$948,441k = 147.98% rather than the average of the actual ratios).

## 11. ICAAP Information.

ZBUK measures and manages its capital daily. Regulatory Capital includes Pillar 1 and Pillar 2A requirements. Pillar 2A Capital covers all material risks not assessed in Pillar 1.

ZBUK undertakes an annual ICAAP both under business-as-usual (BAU) over the strategic plan and incorporating several stress scenarios. The ICAAP is formally presented to the Board of Directors for review, challenge, and approval prior to being submitted to the PRA.

The ICAAP formally considers Pillar 2A risks that are not fully captured under Pillar 1. For ZBUK, these are:

### Credit risk.

The Bank applies the Standardised Approach (SA) for Pillar 1 credit risk. As such, it assesses its exposures against a set of Internal Rating Based (IRB) risk-weight benchmarks in Pillar 2A to identify whether additional capital requirements are merited. The Bank also applies a sovereign exposures assessment commensurate with PRA consultation paper 12/25 Basel 3.1 plans, assesses credit risk ECL requirements and stresses ECL in a Pillar 2A scenario to complete a multi-factor assessment of credit risk in the ICAAP.

### Concentration risk.

The Bank considers the degree of diversification of lending under the lenses of country (geographic), industry (sector) and individual counterparty (single name) concentrations. The Bank uses the Herfindahl-Hirschman Index (HHI) - a common measure of market concentration - to assess an add-on.

### Market risk.

Pillar 1 calculations for foreign exchange risk and Credit Valuation Adjustment (CVA) through prudent adjustment to fair-valued instruments have been adopted as in previous years. Interest Rate Risk in the Banking Book (IRRBB) is not fully considered in Pillar 1. As such, the Bank has applied six different Economic Value of Equity (EVE) scenarios to assess the capital required to absorb the modelled shocks.

### Operational risk.

The Bank applies the Basic Indicator Approach (BIA) for Pillar 1, calculating an operational loss relative to the average of the last three year's operating income. An independent Pillar 2A assessment is made based on the Risk Control Self-Assessments and the High-Level Risk Register to quantify the impact of plausible net operational losses that the Bank could be exposed to. The higher of the two calculations is applied.

All details on the constituent parts of the Pillar 2A assessment are confidential. The Bank's Capital Requirement Ratio (of Pillar 1 and Pillar 2A) was 14.04% from March 28, 2023, per the Supervisory Review and Evaluation Process (SREP).

The ICAAP additionally considers a further Pillar 2B buffer (the PRA buffer) to cover modelled stress scenario impacts. The Bank considers a range of stresses and agrees an appropriate buffer, which is not publicly disclosed.

#### 11.1. Composition of Regulatory Own Funds.

The following table (UK CC1) shows the composition of the Bank's regulatory own funds on December 31, 2025, with December 31, 2024, additionally shown for comparison purposes. The figures reflect audited retained earnings and reserves.

	December 31, 2025 US\$	Cross reference to table UK CC2	December 31, 2024 US\$
<b>Common Equity Tier 1 (CET1) capital: Instruments and reserves</b>			
Capital instruments and the related share premium accounts	136,702 k		136,702 k
Of which: 136,701,620 ordinary shares of US\$1	136,702 k	(a)	136,702 k
Retained earnings	294,537 k	(b)	246,050 k
Accumulated other comprehensive income (and other reserves)	4,592 k	(c)	(598) k
Common Equity Tier 1 (CET1) before regulatory adjustments	435,831 k		382,153 k
<b>Common Equity Tier 1 (CET1) Regulatory adjustments</b>			
Additional value adjustments	(1,464) k		(1,382) k
Intangible assets (net of related tax liability)	(3,002) k	(d)	(2,446) k
Other regulatory adjustments to CET1 capital*	-		-
Total regulatory adjustments to Common Equity Tier 1 (CET1)	(4,455) k		(3,828) k
<b>Common Equity Tier 1 (CET1) capital</b>	<b>431,376 k</b>		<b>378,325 k</b>
<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>431,376 k</b>		<b>378,325 k</b>
<b>Total capital (TC = T1 + T2) **</b>	<b>431,376 k</b>		<b>378,325 k</b>
<b>Total Risk exposure amount***</b>	<b>1,843,312 k</b>		<b>1,475,750 k</b>
<b>Capital ratios and buffers</b>			
Common Equity Tier 1 (as a percentage of total risk exposure amount)	23.40%		25.64%
Tier 1 (as a percentage of total risk exposure amount)	23.40%		25.64%
Total capital (as a percentage of total risk exposure amount)	23.40%		25.64%
Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	17.10%		16.97%
of which: capital conservation buffer requirement	2.50%		2.50%
of which: countercyclical buffer requirement	0.56%		0.43%
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	9.36%		11.60%
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-	(e)	1,024 k

\* The other regulatory adjustments to CET1 shown above are purely IFRS9 transitional adjustments.

\*\* No dividend has been proposed (none 2024).

\*\*\* Total Risk Exposure Amount reflects updated operational risk Basic Indicator Approach figures for audited accounts shown in section 11.2, below in both 2025 and 2024 figures.

The Bank's entire capital base qualifies as Common Equity Tier 1 capital (CET1) and consists of fully paid ordinary shares and audited reserves. The Bank currently has no Additional Tier 1 (AT1), Tier 2 or Tier 3 Capital. The Bank reports as a solo UK institution and has no consolidation adjustments.

As noted in general provisions section 1.1, the Bank reports on an unconsolidated basis encompassing the London, Dubai, and Paris branches within ZBUK. Consequently, the Bank's balance sheet presented in the financial statements aligns with the balance sheet under regulatory scope of consolidation.

The following table (UK CC2) summarises this balance sheet and cross references to table UK CC1 above, with 2024 added for comparison:

	December 31, 2025 US\$	Cross reference to table UK CC1	December 31, 2024 US\$
<b>Assets- Breakdown by asset class according to the balance sheet in the financial statements</b>			
Cash and cash equivalents	428,081 k		480,233 k
Securities	1,699,890 k		1,590,856 k
Derivative financial assets	2,283 k		1,518 k
Loans and advances	842,817 k		556,247 k
Right of use assets	7,727 k		8,693 k
Property and equipment	713 k		168 k
Intangible assets	3,002 k	(d)	2,446 k
Current tax assets	1,307 k		519 k
Deferred tax assets	-	(e)	1,024 k
Other assets	8,967 k		7,349 k
<b>Total assets</b>	<b>2,994,786 k</b>		<b>2,649,054 k</b>
<b>Liabilities - Breakdown by liability class according to the balance sheet in the financial statements</b>			
Deposits	2,521,784 k		2,157,083 k
Repurchase agreements and similar secured borrowing	14,432 k		88,965 k
Derivative financial liabilities	399 k		3,094 k
Current tax liabilities	-		2,070 k
Deferred tax liabilities	68 k		-
Impairment allowance on committed but undrawn facilities	704 k		625 k
Lease liability	8,498 k		8,820 k
Other liabilities	12,890 k		6,073 k
Provision (for wear and tear repair in property lease)	181 k		169 k
<b>Total liabilities</b>	<b>2,558,955 k</b>		<b>2,266,901 k</b>
<b>Shareholders' Equity</b>			
Share capital	136,702k	(a)	136,702 k
Retained earnings	294,537 k	(b)	246,050 k
Reserves	4,922 k	(c)	(598) k
<b>Total shareholders' equity</b>	<b>435,831 k</b>		<b>382,153 k</b>

## 11.2. Overview of Risk Weighted Exposure and Own Funds Requirements.

The following table (UK OR1) provides additional breakdown on the Operational Risk own funds requirements and risk-weighted exposure amounts (RWEA) for December 31, 2025:

Banking activities US\$	Relevant indicator			Own funds requirements	RWEA
	Year-3	Year-2	Last year		
Banking activities subject to basic indicator approach (BIA)	106,202 k	85,282 k	104,327 k	14,791 k	184,881 k

The following table (UK OV1) shows the risk weighted exposures by risk type under Pillar 1 for both periods, and the own funds requirements for December 31, 2025:

US\$	Risk Weighted Exposure Amounts (RWEAs)		Total Own Funds Requirements December 31, 2025
	December 31, 2025	December 31, 2024	
Credit Risk (excluding CCR)	1,646,471 k	1,280,947 k	131,718 k
Of which the standardised approach	1,646,471 k	1,280,947 k	131,718 k
Counterparty Credit Risk (CCR)	6,886 k	22,641 k	551 k
Of which the standardised approach credit	5,802 k	21,249 k	464 k
Of which Credit Valuation Adjustment – CVA	1,085 k	1,392 k	87 k
Settlement Risk	-	-	-
Position, foreign exchange, and commodities risks (Market risk)	5,073 k	4,202 k	406 k
Of which the standardised approach	5,073 k	4,202 k	406 k
Operational Risk			
Of which the basic indicator approach *	184,881 k	167,960 k	14,791 k
Amounts below the thresholds for deduction (subject to 250% risk weight) **	-	1,024 k	-
<b>Total</b>	<b>1,843,312 k</b>	<b>1,475,750 k</b>	<b>147,465 k</b>

\* BIA is updated for audited accounts.

\*\* The deferred tax was a net liability position in 2025. In 2024 the deferred tax asset was subject to 250% risk weight and is excluded from the total because it is already included in the first row (Credit Risk).

## 12. Glossary of Acronyms.

Listed below are the key terms and acronyms used in this document:

ACC	Audit & Compliance Committee.
ACPR	L'Autorité de contrôle prudentiel et de résolution
AFS	Available-For-Sale.
ALCO	Assets and Liabilities Committee.
ASF	Available Stable Funding.
AT1	Additional Tier 1 [Capital].
BAU	Business-As-Usual.
BIA	Basic Indicator Approach.
BRC	Board Risk Committee.
CAM	Credit Application Memorandum.
CCO	Chief Compliance Officer.
CEO	Chief Executive Officer.
CET1	Core Equity Tier 1.
CIB	Code interbancaire
CQS	Credit Quality Step.
CRD	Capital Requirements Directive
CRFR	Climate Related Financial Risk.
CRO	Chief Risk Officer.
CRR	Capital Requirements Regulation.
CSA	Climate Scenario Analysis.
CVA	Credit Valuation Adjustment.
DFSA	Dubai Financial Services Authority.
DIFC	Dubai International Financial Centre.
DPO	Data Protection Officer.
DVP	Delivery Versus Payment.
ECL	Expected Credit Loss.
ERMF	Enterprise Risk Management Framework
EUR	Euro (currency).
EVE	Economic Value of Equity.
EXCO	Executive Committee.
FCA	Financial Conduct Authority.
FVTPL	Fair-Value-Through-Profit-and-Loss.
FX	Foreign Exchange.
GBP	Great British Pound Sterling (Currency).
HHI	Herfindahl-Hirschman Index.
HNI	High-Net worth Individual.
HQLA	High Quality Liquid Assets.
HRC	Human Resources Committee.
HTM	Held-To-Maturity.
ICAA	Internal Capital Adequacy Assessment.
ICAAP	Internal Capital Adequacy Assessment Process.
ILAAP	Internal Liquidity Adequacy Assessment Process.
IRB	Internal Rating Based.
IRRBB	Interest Rate Risk in the Banking Book.
ITS&SC	Information Technology Steering and Security Committee.
KRI	Key Risk Indicator.
LEI	Legal Entity Identifier
LCR	Liquidity Coverage Ratio.
MC	Marketing Committee.
MCC	Management Credit Committee.
MLRO	Money Laundering Reporting Officer.
MRC	Market Risk Committee.
NED	Non-Executive Director.
NPC	New Products Committee.
NSFR	Net Stable Funding Ratio.
OON	Officer of the Order of Niger.
PRA	Prudential Regulation Authority.
RAC	Remuneration & Appointments Committee.
RAS	Risk Appetite Statement.
RSF	Required Stable Funding.

RWEA	Risk Weighted Exposure Amount.
SIREN	Système d'Identification du Répertoire des Entreprises
SMCR	Senior Managers and Certification Regime.
SMF	Senior Management Function.
SREP	Supervisory Review and Evaluation Process.
SSA	Sub-Saharan Africa.
TC	Tenders Committee.
UBO	Ultimate Beneficial Owner.
US\$	United States Dollar (currency).
ZBPLC or Zenith Group Plc	Zenith Bank Plc., Nigeria, Zenith Bank (UK)'s parent.
ZBUK	Zenith Bank (UK) Limited.

### 13. Notices.

The disclosures herein are based on the 'Annual Report' of the Bank for the year ended December 31, 2025, as well as the latest ICAAP report, where more detailed information is available.

The Pillar 3 disclosure has not been audited by the Bank's external auditors but is based on information in the 'Annual Report' which is.

For further information on any aspect of this report please contact the Bank at [info@zenith-bank.co.uk](mailto:info@zenith-bank.co.uk).