First Bank of Nigeria Ltd. (Lead Bank) First Holdco PLC (Holding Company)

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This report does not constitute a rating action.

Primary Contact

Charlotte Masvongo
Johannesburg
27-11-214-4816
charlotte.masvongo
@spglobal.com

Secondary Contact

Adnan Osman
Johannesburg
27-83-285-3798
adnan.osman
@spglobal.com

Ratings Score Snapshot

SACP: b+

Anchor	b	
Business position	Strong	1
Capital and earnings	Constrained	0
Risk position	Adequate	0
Funding	Strong	0
Liquidity	Adequate	
CRA adjustment		0

Support: 0

ALAC support	0
GRE support	0
Group support	0
Sovereign support	0

Additional factors: -2

Issuer credit rating
B-/Stable/B
Holding company ICR
B-/Stable/B

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Dominant market position.	Weak operating environment in Nigeria.
Strong low-cost customer deposit base.	High level of loan concentration and foreign currency lending.
	Deteriorating asset quality.

Nonperforming loans (NPLs) and impairment charges have increased due to the lifting of forbearance. NPLs increased further to 12.9% of gross loans as of June 30, 2025, from 10.2% as of Dec. 31, 2024, because loans that were in stage 2 and benefitting from the forbearance measures by the Central Bank of Nigeria (CBN) were reclassified as stage 3 loans. In addition, the loan portfolio remains constrained by the high cost due to the weak local currency, high rates, and high inflation. As a result, S&P Global Ratings expects the NPL ratio to remain elevated until the end of 2025 at about 12%-13%. At the same time, we expect cost of risk to increase to 6.0%-6.5% in 2025 compared with 3.9% for on June 30, 2025, as management adjusts its provision and loan coverage on these loans.

Capital issuance will strengthen the bank's loss absorption capacity and help maintain a stable risk-adjusted capital (RAC) ratio. The group raised Nigerian naira (NGN) 147 billion (about US$91.9 million) through a rights issuance in the first half 2025. This leaves a shortfall of about NGN122 billion for FirstBank to meet the new paid-up capital requirement of NGN500 billion announced by the CBN. The group is planning to raise up to NGN350 billion through a private placement before the end of 2025. This, together with earnings accretion, will help the bank maintain its RAC ratio at 4.0%-4.5% over the next 12-18 months. In addition, we expect the bank will maintain its capital adequacy ratio (CAR) above the 15% regulatory minimum. FirstBank's CAR stood at 16.9% as of June 30, 2025.

First Bank of Nigeria Ltd.'s (FirstBank)'s well established corporate and retail banking franchise supports its credit profile. FirstBank holds a market-leading position in the Nigerian banking sector and is one of the top five banks by total assets. The core subsidiary of First Holdco PLC (FirstHoldco, the non-operating holding company [NOHC]) group, FirstBank has the largest agency banking network among Nigerian banks. This, combined with the bank's digital offering and historical presence, has supported the group's scalability and expanded its reach across Nigeria. Low-cost deposits and a robust corporate banking franchise support the group's ability to grow revenue. We expect operating revenue to increase by about 9%-10% in 2025 as net interest margins (NIMs) remain high at the back of high interest rates and growth in fees and commissions. However, due to high cost of risk and lower efficiency, we anticipate a return on equity ratio of 13%-15% in 2025, which is below the sector's average.

Outlook

The stable outlook on FirstBank, FirstHoldco's main operating entity, mirrors that on Nigeria.

The outlook on FirstHoldco matches that on FirstBank.

Downside scenario

We would take a negative rating action on FirstBank over the next 12 months if we took a similar action on Nigeria because sovereign distress would likely affect the bank's operations and liquidity.

We would lower our ratings on FirstHoldco if we lowered our ratings on FirstBank.

Upside scenario

A positive rating action on Nigeria would result in a similar positive action on FirstBank over the next 12 months, all else remaining equal.

A higher rating on the bank will not lead to a similar action on FirstHoldco. We are unlikely to raise our ratings on the NOHC because of the structural subordination compared with the bank.

Key Metrics

First Holdco Plc Key Ratios And Forecasts

	--Fiscal year ended Dec. 31--				
%	2022a	2023a	2024a	2025f	2026f
Growth in operating revenue	27.4	98.5	85.7	8.5-9.5	12.5-13.5
Growth in customer loans	30.8	68.8	39.6	7.2-8.8	18.0-22.0
Net interest income/average earning assets (NIM)	4.8	5.1	8.3	8.1-8.9	7.6-8.4
Cost to income ratio	63.2	49.4	44.0	50.3-52.9	54.8-57.7
Return on average common equity	14.5	22.8	30.1	13.5-15.0	16.1-17.8
New loan loss provisions/average customer loans	1.5	3.5	5.0	5.9-6.5	3.5-3.8
Gross nonperforming assets/customer loans	4.7	4.9	10.2	12.3-13.6	9.9-10.9
Risk-adjusted capital ratio	3.7	3.7	3.9	4.0-4.5	4.0-4.5

All figures are S&P Global Ratings-adjusted. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor: 'b' For Banks Operating Mainly In Nigeria

Our 'b' anchor is derived from our Banking Industry Country Risk Assessment (BICRA) for Nigeria, where the bank largely operates.

We expect Nigeria's real GDP growth to average 3.4% year on year over 2026-2028, primarily driven by growth in the non-oil sector. While we expect reforms to improve growth in the later years of our forecast, tight monetary policy and initiatives to raise fiscal revenue will likely contain economic expansion in 2025 and 2026. Therefore, real credit growth is expected to remain muted.

We expect banks' asset quality indicators will deteriorate due to the discontinuation of regulatory forbearance on oil-sector exposures and higher inflation. We forecast cost of risk to remain high at 2.5%-3.0% in 2025 and 2.5% in 2026, compared with an estimated 3.0%-3.5% in 2024.

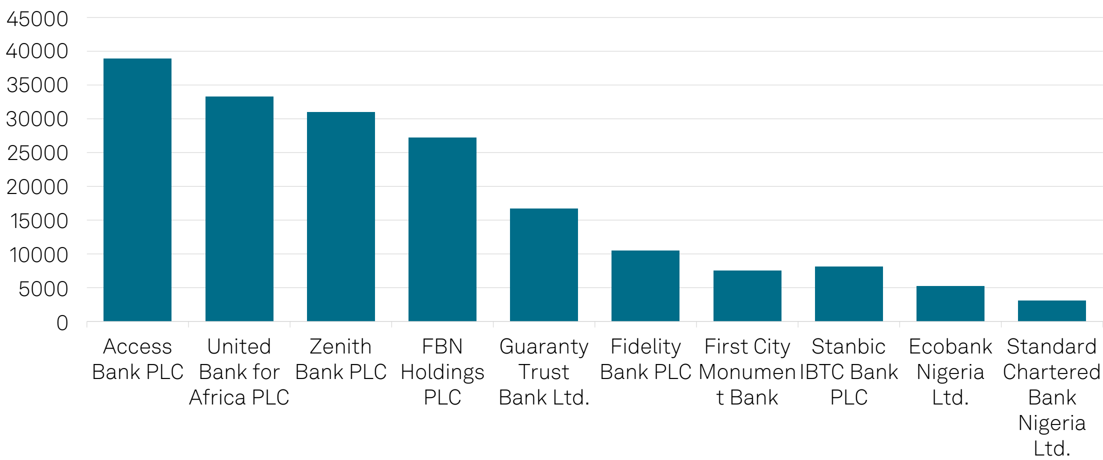
Nigerian banks' profitability will remain resilient thanks to high interest rates, with return on equity (ROE) averaging 20%-25% in 2025 and 2026. Regulators are also strengthening banks' loss absorption capacity by increasing the minimum paid-up capital to NGN500 billion (about $300 million) for an international banking license and to NGN200 billion (about $125 million) for a national license by March 2026. We estimate the capital needs of rated banks at about NGN2.5 trillion ($1.6 billion), of which NGN1.9 trillion (about $1.2 billion) had already been raised by mid-year 2025. We do not exclude mergers and acquisitions or changes in business models in some cases because of the new paid-up capital requirements.

Business Position: One Of The Leading Banking Groups In Nigeria

Our view of FirstHoldco group's business position balances its leading market position and relatively diverse business mix against its business concentrations in Nigeria and its high-cost base. FirstHoldco is the fourth-largest financial services group in Nigeria and had total assets of NGN27.2 trillion on June 30, 2025 (equivalent to $17 billion at an exchange rate of $1/NGN1,600). FirstBank is a commercial bank and is the group's largest subsidiary, accounting for about 97% of assets and 85% of profit before tax (PBT), with the remainder stemming from the Investment Banking and Asset Management group and First insurance Brokers Ltd., as of year-end 2024.

First Holdco is among the five largest banking groups in Nigeria

Total assets (NGN Billion)



Data as of June 30, 2025, except Access Bank and Fidelity Bank which is as of March 31, 2025, and for Standard Chartered Bank Nigeria which is as of Dec.31, 2024. Source: S&P Global Ratings.

The group services over 43 million customer accounts, of which more than half use its digital channels through unstructured supplementary service data, FirstOnline, and FirstMobile. The group had over 300,000 agent-banking channels across Nigeria on June 30, 2025, the largest among all Nigerian banks; these serve as a lower cost option than a bank branch outlet. Combined with its digital platforms and historical presence, agent-banking has supported FirstBank's scalability and expanded its reach across Nigeria. The group's stronger retail franchise makes it well-placed to grow its non-interest income; we expect fees and commissions revenue to increase by an average of 20% per year through 2026.

That said, the group's cost base is one of the highest among top-tier peers in Nigeria (see chart 2). It had a cost-to-income ratio of 51% on June 30, 2025, an improvement from historical levels supported by strong operating revenue growth. The group has the largest branch network in Nigeria with over 500 local branches, double that of some top-tier peers, which adds to its higher operating cost relative to peers. Regulatory costs through the Asset Management Corp. of Nigeria (AMCON) charge also contribute to the high costs, given the group's large and increasing balance sheet. The AMCON charge is 0.5% of the group's total on- and off-balance sheet assets. Regulatory cost accounted for about 13% of operating cost in 2024. Staff cost also increased because the group raised employee salaries following the naira depreciation to help keep its staff. The group aims to improve efficiency through digitalization of systems and platforms.

First Holdco has one of the highest cost-to-income ratios among top-tier peers

Average return on Assets and cost-to-income ratios in 2022-2024

Source: S&P Global Ratings.

We expect FirstHoldco's geographic diversification to remain unchanged for the next 12 months. The group's U.K. subsidiary, FirstBank UK, is the largest outside Nigeria, and acts as a correspondent bank for African banks in the U.K. Its presence in the rest of Africa includes Ghana, Gambia, Guinea, Sierra Leone, Senegal, and the Democratic Republic of Congo. The group's Africa presence outside of Nigeria adds to revenue diversification as this enables it to capture the benefits of inter-Africa trade flows. The group's African subsidiaries and FirstBank UK contributed 27.5% to group PBT in financial year 2024.

Capital And Earnings: Ongoing Capital Increase

We expect the group's RAC ratio to remain stable and range between 4.0%-4.5% in 2025-2026, compared with 4.0% as of Dec. 31, 2024. This is broadly in line with the group's Nigerian top-tier peers and reflects the higher risk charges because of the low sovereign rating and high economic risks in Nigeria and our treatment of elevated mandatory cash reserves in Nigeria.

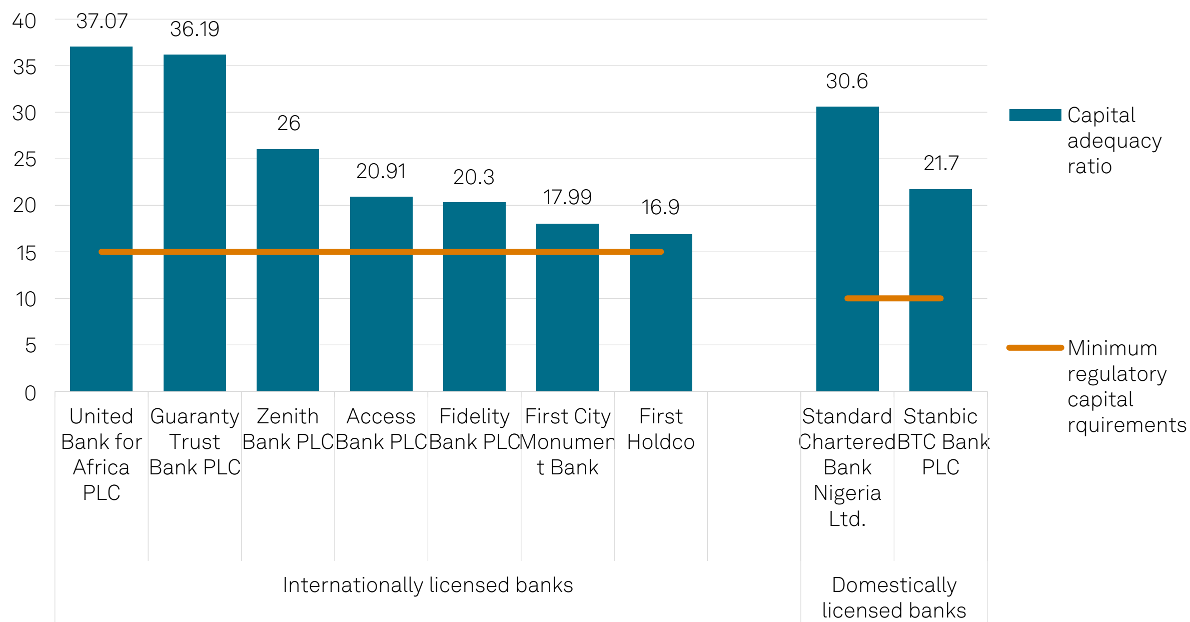
Our RAC forecast assumes the following over the next two years:

- Loan growth to remain muted (below 10%) in 2025 before normalizing at about 20%-25% from 2026.
- NIMs to remain high at about 8.5% in 2025, reflecting the high-interest rate environment.
- Cost-to-income ratio to increase to about 50%-52%, balancing the 9% expected growth in operating revenue and inflation and the currency-driven growth of 25% in operating expenses.
- Cost of risk to increase to 6%-6.5% compared with 5% in 2024.
- A dividend payout of about 10% of net income in line with the historical average.

We anticipate that the bank will meet the CBN's new paid-up capital requirements by the end of 2025. After raising NGN147 billion through a rights issue in the first half of 2025, the group is planning to raise up to NGN350 billion through a private placement. This will further boost the bank's regulatory capital buffers and its loss absorption capacity. FirstBank's CAR stood at 16.9% as of June 30, 2025, compared with a regulatory minimum of 15%.

FirstBank's capital buffers are expected to improve over the next 12-18 months

Capital adequacy ratio versus minimum regulatory requirements



Data as at end June 2025 except for Access Bank Plc and Fidelity Bank Plc which are as at end March 2025 and First City Monument Bank and Standard Chartered Bank Nigeria as at December 2024. Source: S&P Global Ratings.

We expect the group's ROE will decrease in 2025 because of higher provisions and lower revaluation gains with an ROE ratio of 13%-15% in 2025 compared with 30% in 2024. Higher provisioning for loans subject to forbearance will constrain profitability.

Risk Position: Weakening asset quality indicators

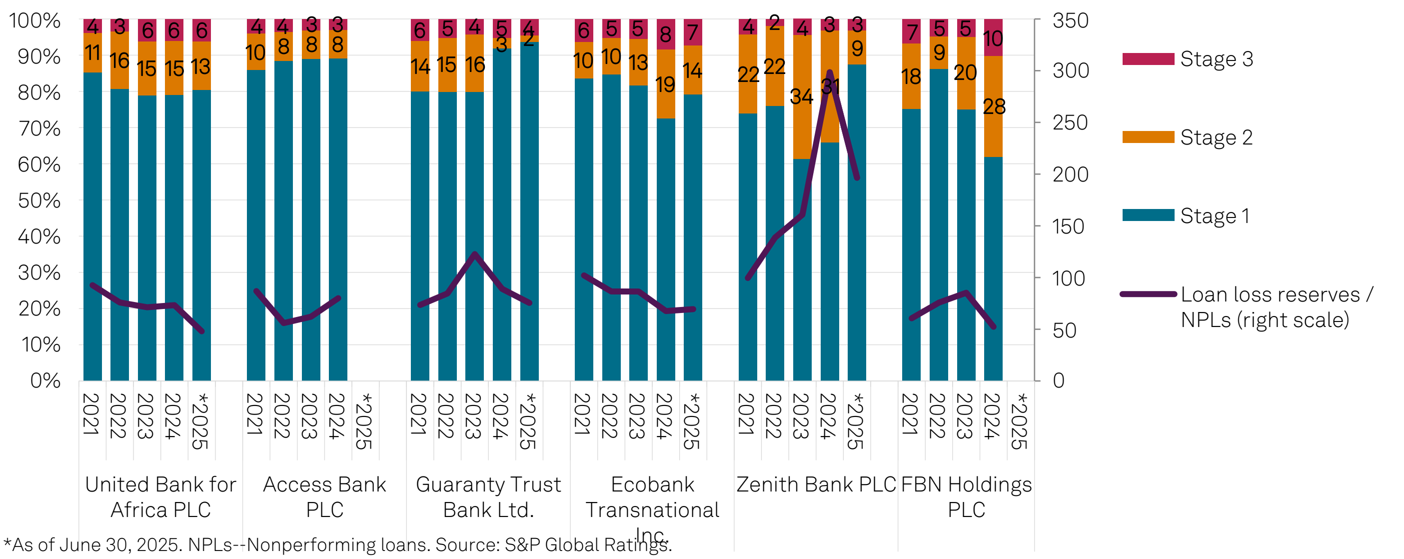
Our assessment of the group's risk position reflects its high single-obligor, sector, and foreign currency concentration, which increases vulnerability to external shocks.

The group's NPLs increased to 10.2% as of the end of 2024 and further to 12.9% as of June 30, 2025, from 4.9% in 2023. This was driven by the classification of a large single-name exposure into stage 3 and the end of CBN forbearance on some exposures mainly stemming from the oil and gas sector. These measures were introduced in 2020 to provide relief to banks to deal with the COVID-19-induced shock. Specifically, banks were allowed to maintain specific exposures in stage 2 and set aside less than the required provisions if these loans moved to stage 3.

We expect NPLs to remain elevated in 2025 at about 12%-13% of gross loans, higher than the expected sector average of 6%-7%. In addition to the end of forbearance, high inflation and interest rates continue to constrain corporate cashflows, particularly from companies outside of the fast-moving consumer goods sector, which cannot fully pass through higher costs to consumers. High inflation and interest rates are also constraining household consumption and debt repayment capacity. However, expect NPLs to start to gradually decrease in 2026 as the group makes progress in resolving some of the forbearance loans through restructuring and write-offs.

As a result of the increase in NPLs because of the classification of a large exposure and the end of CBN forbearance, the group's coverage ratio dropped to 37% as of June 30, 2025, from 85% as of the end of 2023. Compared with peers, FirstHoldco did not proactively take provisions on its forbearance loans and will need to increase provisions in 2025 to improve its coverage. We therefore expect the cost of risk to increase to about 6.0%-6.5% in 2025 compared with 5% in 2024 and higher than the expected sector average of 2.0%-2.5%.

First Holdco's asset quality metrics have weakened compared to most peers



*As of June 30, 2025. NPLs--Nonperforming loans. Source: S&P Global Ratings.

Concentration risks remain high, with the top 20 obligors accounting for 64% of gross loans on March 31, 2025. Foreign currency loans accounted for 50% of gross loans on March 31, 2025, in line with the sector. Both single-name and foreign currency exposures increased over the past two years because of the significant naira depreciation recorded in 2023 and 2024. The group has been gradually increasing disbursements of loans in local currency to moderate foreign currency concentration in the book. About 70% of foreign currency loans stem from the oil and gas sector and are backed by revenue in the same currency.

Similar to other Nigerian banks, FirstHoldco's loan portfolio is exposed to energy transition risk. Oil and gas exposures accounted for 50% of gross loans at the end of June 2025, which is higher than the estimated sector average of about 30%. About half of these are to the upstream sector, 37% in the services sector, and 14% to the downstream sector.

Exposure to government securities has increased as lending has been limited over the past few years. Government securities accounted for 28% of total assets in 2024, of which about 79% is invested in Nigeria, 20% in the U.K. and the U.S., and 1% in the rest of Africa.

Funding And Liquidity: Large And Stable Deposit Base

The group's funding profile is dominated by low-interest-bearing deposits. Core customer deposits accounted for 79% of the group's total funding base as of June 30, 2025. The group's stable funding ratio was 154% on June 30, 2025, and we expect it to remain well above 100% over the next 12 months. Retail deposits account for about 58% of customer deposits; corporate or commercial deposits for about 36%; and the public sector for 6%. We expect the group's retail deposits to continue increasing, supported by its large agency and digital banking network. Cost of funding marginally decreased to 4.8% as of June 30, 2025, compared with 5.6% in 2024 reflecting lower short-term wholesale funding but remains higher compared with historical average of 2%-3% because of high interest rates. The rising interest rates raised the cost of savings accounts, which are linked to the monetary policy rate, while the depreciation of the naira drove up the cost of foreign currency liabilities.

Similar to rated domestic peers, we expect the group's funding to largely remain contractually short term. This is manageable, given the stability of deposits and good liquidity. The group's liquidity indicators compare adequately with peers. On June 30, 2025, the group's broad liquid assets covered short-term wholesale funding by 4.3x, and its net customer loans accounted for 50% of customer deposits. The group's liquid assets comprise unrestricted cash, Nigerian treasury bills, and interbank placements.

U.S. dollar-denominated deposits have been gradually increasing and accounted for 49% of customer deposits on Dec. 31, 2024. Foreign currency liquidity is managed centrally, with subsidiaries placing their domiciliary deposits with FirstBank to optimize overall utilization and yields. The group has sufficient foreign currency liquidity to meet its upcoming senior unsecured Eurobond maturity of $350 million.

Support: FirstBank Is A Core Subsidiary To The FirstHoldco Group

We consider FirstBank as a core subsidiary of the FirstHoldco group. The bank is the principal subsidiary of the holding company, FirstHoldco, and represented about 97% of assets and 85% of PBT in 2024. FirstHoldco was created in 2012 because of a regulatory requirement to ring-fence core banking activities from noncore operations. The group's non-bank subsidiaries include the asset management, insurance brokerage, and securities and trustees' businesses. Following the 2024 announcement, the group is divesting from the merchant banking subsidiary, and we do not expect further divestments in the short term. Our assessment of FirstBank's creditworthiness incorporates our view that it is core to the FirstHoldco group and is based on the group's 'b-' group credit profile.

We consider the Nigerian government's support toward the domestic banking sector as uncertain and therefore, do not add any notches for government support to Nigerian systemically important banks.

Additional Rating Factors

Our ratings on FirstBank are constrained by the sovereign credit ratings on Nigeria. We do not rate Nigerian banks above the sovereign because of the likely direct and indirect influence of sovereign distress on their operations, including their ability to service foreign currency obligations.

Environmental, Social, And Governance

Environmental and governance factors are negative considerations in our Nigeria BICRA analysis and consequently in our credit rating analysis of FirstBank.

Energy transition risk is material for the Nigerian banking system because of the large direct exposures to the oil and gas sector. These make up about a third of systemwide loans, which negatively affects our view of economic resilience and credit risk in the economy, under our BICRA methodology. FirstBank's exposure to the oil and gas sector was 50% of total loans on June 30, 2025. It has resulted in a significant deterioration in the bank's asset quality indicators as regulatory forbearance measures were removed.

Banking regulation lags international standards. This partly stems from the slow banking reforms and lack of transparency about how the regulator enforces regulation on structural risks. Gaps in corporate governance exist in the wider economy. These could weaken the banking sector. We consider FirstBank's governance to be broadly in line with peers.

Group Structure, Rated Subsidiaries, And Hybrids

We rate FirstBank's NOHC, FirstHoldco, at the same level as FirstBank. We expect double leverage to remain manageable, at close to 100%. Under our criteria, we generally notch down by two notches from the group credit profile to reflect the NOHC's structural subordination and its exposure to potential regulatory intervention. Nevertheless, in FirstHoldco's case, we consider that the NOHC's risk of default is not commensurate with the 'CCC' rating category because there is no debt at holding company level.

Key Statistics

First Holdco PLC Key Figures

Mil. NGN	2025*	2024	2023	2022	2021
Adjusted assets	27,160,173	26,484,080	16,904,127	10,561,851	8,913,355
Customer loans (gross)	9,307,262	9,262,953	6,633,833	3,929,209	3,004,177
Adjusted common equity	2,827,505	2,370,854	1,396,213	880,637	771,865
Operating revenues	1,089,820	2,120,974	1,142,386	575,483	451,606
Noninterest expenses	552,826	934,160	564,063	363,907	334,182
Core earnings	284,664	665,871	310,658	135,214	151,212

*2025 data is for the six months to June 30, 2025. NGN--Nigerian naira.

First Holdco PLC Business Position

(%)	2025*	2024	2023	2022	2021
Total revenues from business line (mil. NGN)	1,096,204	2,134,489	1,142,393	576,732	451,606
Commercial & retail banking/total revenues from business line	96.7	96.9	94.7	96.0	125.1
Asset management/total revenues from business line	2.8	3.9	5.6	5.4	5.8
Other revenues/total revenues from business line	0.4	(0.8)	(0.3)	(1.5)	(30.9)
Return on average common equity	20.4	30.1	22.8	14.5	18.4

*2025 data is for the six months to June 30, 2025. NGN--Nigerian naira.

First Holdco PLC Capital And Earnings

(%)	2025*	2024	2023	2022	2021
Tier 1 capital ratio	--	12.9	13.1	14.6	15.0
S&P Global Ratings' RAC ratio before diversification	N/A	4.0	3.7	3.7	4.0
S&P Global Ratings' RAC ratio after diversification	N/A	1.3	2.9	2.9	3.1
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Double leverage	96.1	88.7	91.7	90.9	93.1
Net interest income/operating revenues	83.0	66.1	48.1	63.1	50.5
Fee income/operating revenues	12.7	11.6	16.9	20.5	25.8
Market-sensitive income/operating revenues	2.5	20.6	33.5	14.5	20.4
Cost to income ratio	50.7	44.0	49.4	63.2	74.0
Preprovision operating income/average assets	4.0	5.5	4.2	2.2	1.4
Core earnings/average managed assets	2.1	3.1	2.3	1.4	1.8

*2025 data is for the six months to June 30, 2025. N/A--Not applicable.

First Holdco PLC Risk-Adjusted Capital Framework Data

(Mil. NGN)	Exposure*	Basel III RWA	Average Basel III RW(%)	Standard & Poors RWA	Average Standard & Poors RW (%)
Credit risk					
Government & central banks	12,313,549	0	0	21,608,993	175
Of which regional governments and local authorities	0	0	0	0	0
Institutions and CCPs	3,323,732	0	0	5,585,915	168
Corporate	8,991,443	7,035,562	78	16,243,982	181
Retail	432,801	0	0	727,216	168
Of which mortgage	235,422	0	0	318,078	135
Securitization§	0	0	0	0	0
Other assets†	1,547,085	0	0	4,969,143	321
Total credit risk	26,608,610	7,035,562	26	49,135,248	185
Credit valuation adjustment					
Total credit valuation adjustment	--	0	--	0	--
Market Risk					
Equity in the banking book	569,361	0	0	6,372,665	1,119
Trading book market risk	--	214,437	--	603,104	--
Total market risk	--	214,437	--	6,975,769	--

First Holdco PLC Risk-Adjusted Capital Framework Data

(Mil. NGN)	Exposure*	Basel III RWA	Average Basel III RW(%)	Standard & Poors RWA	Average Standard & Poors RW (%)
Operational risk					
Total operational risk	--	1,744,236	--	3,976,826	--
(Mil. NGN)	**Exposure**	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global RWA**	**% of S&P Global RWA**
Diversification adjustments					
RWA before diversification	--	8,994,235	--	60,087,843	100
Total Diversification/ Concentration Adjustments	--	--	--	121,827,795	203
RWA after diversification	--	8,994,235	--	181,915,638	303
(Mil. NGN)		**Tier 1 capital**	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global RAC ratio (%)**
Capital ratio		**Standard & Poors RWA**	**Standard & Poors RWA**	**Standard & Poors RWA**	**Standard & Poors RWA**
Capital ratio before adjustments		1,156,895	12.9	2,370,854	3.9
Capital ratio after adjustments‡		1,156,895	12.9	2,370,854	1.3

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. NGN--Nigerian naira . Sources: Company data as of Dec. 31, 2024, S&P Global Ratings.

First Holdco PLC Risk Position

(%)	2025*	2024	2023	2022	2021
Growth in customer loans	1.0	39.6	68.8	30.8	31.1
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	202.8	28.5	30.5	30.8
Total managed assets/adjusted common equity (x)	9.6	11.2	12.1	12.0	11.6
New loan loss provisions/average customer loans	3.9	5.0	3.5	1.5	(1.9)
Net charge-offs/average customer loans	3.8	2.0	0.9	0.8	(3.9)
Gross nonperforming assets/customer loans + other real estate owned	12.9	10.2	4.9	4.7	6.7
Loan loss reserves/gross nonperforming assets	36.9	52.4	85.3	75.8	60.6

*2025 data is for the six months to June 30, 2025. RWA--Risk-weighted assets.

First Holdco PLC Funding And Liquidity

(%)	2025*	2024	2023	2022	2021
Core deposits/funding base	79.4	78.5	77.65	80.4	79.4
Customer loans (net)/customer deposits	49.5	51.1	59.6	53.2	49.3
Long-term funding ratio	88.6	83.0	82.8	86.9	82.8
Stable funding ratio	153.9	150.9	138.9	151.6	158.9
Short-term wholesale funding/funding base	12.9	19.2	19.3	14.5	19.2

First Holdco PLC Funding And Liquidity

Broad liquid assets/short-term wholesale funding (x)	4.3	3.1	2.7	3.8	3.3
Broad liquid assets/total assets	46.2	48.7	42.5	46.5	51.7
Broad liquid assets/customer deposits	70.3	75.2	67.5	69.0	78.9
Net broad liquid assets/short-term customer deposits	55.9	52.6	45.1	52.0	57.0
Short-term wholesale funding/total wholesale funding	62.8	89.1	86.6	73.9	93.4
Narrow liquid assets/3-month wholesale funding (x)	4.6	4.7	3.8	4.9	4.5
*2025 data is for the six months to June 30, 2025.					

Rating Component Scores

Issuer Credit Rating	B-/Stable/B
SACP	b+
Anchor	b
Business position	Strong (1)
Capital and earnings	Constrained (0)
Risk position	Adequate (0)
Funding and liquidity	Strong and Adequate (0)
Comparable ratings analysis	0
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0
Additional factors	-2
SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.	

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology, June 8, 2023
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013

- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 1, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Bank Brief: Nigerian Banks Should Manage The End Of Forbearance Measures Well, Sept. 5, 2025
- Research Update: Nigeria Ratings Affirmed At 'B-/B'; Outlook Remains Stable, May 16, 2025
- Nigerian Banking Outlook 2025: Resilient Performance Amid Macroeconomic Pressures, Jan. 23, 2025
- Banking Industry Country Risk Assessment: Nigeria, Dec. 13, 2024

Regulatory Disclosure

Regulatory disclosures applicable to the most recent credit rating action can be found in "Outlooks On 12 Nigerian Banks Revised To Stable After Same Action On Sovereign; Several National Scale Ratings Raised," Aug. 11, 2023.

Glossary

- Adjusted assets: Total assets minus nonservicing intangibles.
- Adjusted common equity: Common shareholders' equity plus minority interest, minus dividends (not yet distributed), minus revaluation reserves, minus nonservicing intangibles, minus interest only strips, minus tax-loss carryforwards, minus postretirement benefit adjustments.
- Anchor: The starting point for assigning a bank a long-term rating, based on economic and industry risk.
- Asset-liability mismatch: Occurs when financial terms of an institution's assets and liabilities do not correspond.
- Asset quality: A key measure of the quality and performance of the assets of a bank.
- Available stable funding: Core deposits, plus deposits due to banks (net of those that mature within one year), plus other borrowings (net of maturities within one year), plus total equity, minus intangibles.
- Business position: A measure of the strength of a bank's business operations.
- Broad liquid assets: cash (net of restricted cash) and reserves at the central bank, plus other cash and money market, plus bank loans and reverse repos that mature in less than one year, plus total liquid assets.
- Capital and earnings: A measure of a bank's ability to absorb losses.
- Core deposits: Total deposits minus noncore deposits (such as deposits due to banks and certificates of deposits).
- Core earnings over average managed assets: Annualized core earnings, over average assets of current period and last fiscal year.

- Core earnings: Net income before minority interest, minus nonrecurring income, plus nonrecurring expenses, plus/minus tax impact on adjustments, plus amortization/impairment of goodwill/intangibles, minus preferred dividends.
- Cost of funds: Interest expense as a percentage of average interest-bearing liabilities.
- Cost of risk: As a percentage of total loans, the charge for bad and doubtful debts.
- Counterparty credit rating: A form of issuer credit rating, which is a forward-looking opinion about an obligor's overall creditworthiness.
- Credit losses: Losses arising from credit risk.
- Credit risk: Risk that a borrower will default on its payment obligations.
- Customer loans (gross): Total customer loans before loan-loss reserves.
- Customer loans (net) over customer deposits: Gross customer loans net of loan loss reserves, over core deposits.
- Date initial rating assigned: The date S&P Global Ratings assigned the long-term foreign currency issuer credit rating on the entity.
- Date of previous review: The date S&P Global Ratings last reviewed the credit rating on the entity.
- Earning capacity: The capacity of a bank to generate sufficient earnings against losses and the primary way that a bank builds or maintains its capitalization.
- Earnings buffer: A measure of the capacity for earnings to absorb normalized losses through the credit cycle.
- ESG credit factors: Those environmental, social, and governance (ESG) factors that can materially influence the creditworthiness of a rated entity or issue and for which we have sufficient visibility and certainty to include in our credit rating analysis. These credit factors can have a negative or positive impact on creditworthiness, depending on whether they represent a risk or an opportunity.
- ESG credit indicator: An ESG credit indicator is an alphanumeric representation of the qualitive assessment of ESG factors' impact on creditworthiness produced as part of the ratings process. Our ESG credit indicators provide additional disclosure by reflecting our opinion of how material the influence of ESG factors is on the various analytical components in our rating analysis through an alphanumerical 1-5 scale. ESG credit indicators are applied after the ratings have been determined.
- Fee income over operating revenues: Net income on fees and commissions over operating revenues.
- Funding and liquidity: A combined assessment of the strength and stability of a bank's funding mix and its ability to manage its liquidity needs in adverse market and economic conditions over an extended period.
- Funding base: Total deposits, plus acceptances, repurchase agreements, and other borrowings (including commercial papers, short- and long-term debt, subordinated debt, and minimal equity content hybrids).
- Group credit profile (GCP): S&P Global Ratings' opinion of a group's creditworthiness as if the group were a single legal entity, and is conceptually equivalent to an issuer credit rating. A GCP does not address any specific obligation.

- Group support: An assessment of the likelihood that a parent or other group member would provide extraordinary support to a bank within that group.
- Gross nonperforming assets over customer loans plus other real estate owned over customer loans: Nonaccrual loans, plus restructured loans, plus repossessed assets plus loans 90-days past due; over gross customer loans plus repossessed assets.
- Loan-loss reserves over gross nonperforming assets: General plus specific reserves, over adjusted nonperforming assets (nonaccrual loans plus restructured loans plus repossessed assets plus 90-day past due loans).
- Long-term funding ratio: Available stable funding, over funding base plus total equity, minus intangibles.
- National scale rating: An opinion of an obligor's creditworthiness or overall capacity to meet specific financial obligations, relative to other issuers and issues in a given country or region.
- Net interest income over operating revenues: Net interest income (including net interest income on loans, securities, and other assets), over operating revenues.
- New loan-loss provisions over average customer loans: Credit loss provisions (including specific loan provisions and general and other provisions) minus recoveries, over average gross customer loans of current period and last fiscal year.
- Noninterest expenses: Salaries and general administrative expenses (including depreciations and amortizations).
- Operating revenues: Net interest income, plus operating noninterest income (mainly includes fees and commissions and trading gains).
- Pre provision operating income over average assets: Operating revenues minus noninterest expenses, over average assets.
- Return on equity: Net income before extraordinary results minus preferred dividends over average common equity (average between current period and last fiscal period).
- Risk position: Our view of the specific risk characteristics of a particular bank.
- Risk-adjusted capital (RAC) ratio before diversification: This is calculated according to S&P Global Ratings' methodology as total adjusted capital over risk-adjusted assets.
- Short-term wholesale funding: Debt securities that mature in less than one year (of commercial papers, debt and senior and subordinated bonds), plus bank deposits that mature in less than one year.
- Sovereign support: An assessment of the likelihood that the government would provide extraordinary support to a bank.
- Short-term wholesale funding: Debt securities that mature in less than one year (of commercial paper, debt, and senior and subordinated bonds), plus bank deposits that mature in less than one year.
- Stable funding needs: Restricted cash and reserves at the central bank, plus interbank deposits, plus loans to banks (net of maturities within one year), plus reverse repurchase agreements, plus gross customer loans net of loan-loss reserves, plus securities, minus total liquid securities, plus equity participations in nonfinancial entities, plus fixed assets, plus other assets (considering foreclosed assets, tax loss carryforwards, and deferred assets).
- Stable funding ratio: Available stable funding over stable funding needs.

- Stand-alone credit profile (SACP): An interim step in assessing a bank's overall creditworthiness. It includes government support, but not extraordinary government support.
- Total adjusted capital: adjusted common equity plus admissible preferred instruments and hybrids.
- Total wholesale funding: Noncore deposits, plus acceptances, repurchase agreements, other borrowings (including commercial papers, debt and senior and subordinated bonds, minimal equity content hybrids), and total equity, minus minority interest and common shareholders' equity.

Ratings Detail (as of October 10, 2025)*

First Holdco Plc		
Issuer Credit Rating		B-/Stable/B
Nigeria National Scale		ngBBB-/--/ngA-3
Issuer Credit Ratings History		
11-Aug-2023		B-/Stable/B
08-Feb-2023		B-/Negative/B
21-Jun-2017		B-/Stable/B
02-Jul-2018	*Nigeria National Scale*	ngBBB-/--/ngA-3
21-Jun-2017		ngBB+/--/ngB
22-Sep-2016		ngBB/--/ngB
Sovereign Rating		
Nigeria		B-/Stable/B
Nigeria National Scale		ngBBB+/--/ngA-2
Related Entities		
First Bank of Nigeria Ltd.		
Issuer Credit Rating		B-/Stable/B
Nigeria National Scale		ngBBB+/--/ngA-2
Senior Unsecured		B-

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.