First Bank of Nigeria Ltd/First HoldCo Plc

Key Rating Drivers

The Long-Term Issuer Default Ratings (IDRs) are driven by First Bank of Nigeria Ltd's (FBN) and First HoldCo Plc's (FHC) standalone creditworthiness, as captured by their 'b' Viability Ratings (VRs). The VRs balance strong domestic franchises, sound funding and liquidity, and healthy profitability against weak capitalisation resulting from weak loan quality. The VRs are one notch above the implied VRs of 'b-' due to the business profile.

The Stable Outlooks on the Long-Term IDRs mirror those on the sovereign. The National Ratings balance a strong franchise, healthy profitability and a stable funding profile against high credit concentrations and weaker capital and asset quality than higher-rated peers'.

VRs Equalised with Group VR: FHC is a non-operating bank holding company (BHC). Its VR is equalised with the group VR, which is derived from the consolidated risk assessment of the group, due to the absence of double leverage and strong liquidity management. FBN's VR is also equalised with the group VR as it is the main operating entity (end-2025: 98% of group assets).

Improved Operating Environment: The Nigerian naira has stabilised, the banking sector's underlying profitability and foreign-currency (FC) liquidity have improved, and capital raisings have boosted banks' capitalisation. However, inflation remains high, regulatory intervention is burdensome, and the expiry of forbearance has increased impaired loans (Stage 3 loans under IFRS 9) ratios and prudential provisions.

Strong Franchise: FBN is Nigeria's third-largest bank, representing about 9.4% of domestic banking system assets at end-2025 and serving over 42 million customers. Its strong franchise supports a stable funding profile and low funding costs (2025: 480bp).

High Sovereign Exposure: Single-borrower credit concentration is material. Oil and gas exposure (end-2025: 35% of net loans) is greater than the banking system average. Similar to domestic peers, sovereign exposure through securities and cash reserves at the Central Bank of Nigeria (CBN) is high relative to FHC's Fitch Core Capital (FCC; end-2025: above 250%).

Weak Asset Quality: FHC's impaired loans (Stage 3 loans under IFRS 9) ratio increased to 12.2% at end-2025 (end-2024: 10.2%) despite large loan write-offs (about 11% of gross loans) due to the withdrawal of longstanding regulatory forbearance, which resulted in several oil and gas loans migrating to Stage 3 from Stage 2, and a sharp increase in prudential provisions.

Healthy Profitability: FHC has healthy profitability through the cycle, as indicated by operating returns on risk-weighted assets (RWAs) averaging 4% over the past four years. Operating returns fell to 1.6% of RWAs in 2025 as a result of large loan impairment charges (LICs) equal to 77% of pre-impairment operating profit, resulting from the end of forbearance.

CAR Breach: FBN's consolidated capital adequacy ratio fell below the 15% minimum regulatory requirement at end-2025 but improved to 13% by end-1Q26 on the back of strong earnings. The breach followed the expiry of regulatory forbearance, which led to large prudential provisions on Stage 3 oil and gas exposures, which were deducted from retained earnings. We expect the CAR to rise above 15% by end-3Q26, supported by stronger internal capital generation and the planned capital raise.

Strong Funding Profile: FHC's customer deposit base (end-2025: 84% of total non-equity funding) comprises a high share of retail and SME deposits (end-2025: 60% of the total) and current and savings accounts (end-2025: 81% on an unconsolidated basis), supporting funding stability and low funding costs. Liquidity coverage is sound both in foreign and local currencies.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

The VRs would be downgraded if the sovereign was downgraded as the issuers do not meet Fitch's criteria to be rated above the sovereign.

Absent a sovereign downgrade, a prolonged CAR breach will likely result in a downgrade of the VRs and Long-Term IDRs. A severe tightening of FC liquidity would also result in ratings downgrades.

FHC's VR could be notched off the group VR if the BHC's double leverage increases above 120% for a sustained period without clear prospects of moderation.

A downgrade of the National Ratings would result from a weakening of the entities' creditworthiness relative to that of other Nigerian issuers.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade of the VRs and Long-Term IDRs would require an upgrade of Nigeria's Long-Term IDRs and compliance with regulatory minimum requirements.

An upgrade of the National Ratings would result from a strengthening of the entities' creditworthiness relative to that of other Nigerian issuers.

Significant Changes from Last Review

New Paid-In Capital Requirements Help Banks Exit Regulatory Forbearance

The CBN has announced that almost all banks have complied with the significant increase in paid-in capital requirements (share capital plus share premium) for commercial, merchant and non-interest banks due by end-1Q26. Banks were given only three ways to comply – through equity injections, M&A activity or downgrading their licence authorisation.

M&A activity has been very limited, with almost all banks complying by raising fresh core capital. The capital raisings enabled many banks to absorb additional provisions and capital deductions associated with the expiry of longstanding regulatory forbearance relating to the classification and provisioning of problem loans, particularly oil and gas loans, and single-obligor limit breaches, which was withdrawn at end-1H25, while remaining compliant with their respective CAR requirements.

Banks Are Now Positioned for Growth

Many banks, including most of the banks rated by Fitch, are expected to have CARs of over 20% at end-1Q26 due to the capital raisings and the strong profitability that is being supported by the current high interest rates. These large buffers over minimum CAR requirements – 15% for banks with international authorisation and 10% for all other licenced banks – provide significant room for business growth.

However, loan growth in 2026 will remain constrained by high inflation (April 2026: 15.7%) and tight monetary policy, lower credit demand ahead of the presidential election in January 2027, and the constraining effect of the CBN's high cash reserve ratio requirement (45% of naira deposits) and attractive interest rates available on fixed-income securities on credit supply. Some of these constraints may ease in 2027, supporting greater loan growth and reducing CARs closer to minimum requirements at end-2027.

Withdrawal of Forbearance Resulted in CAR Breach at FHC

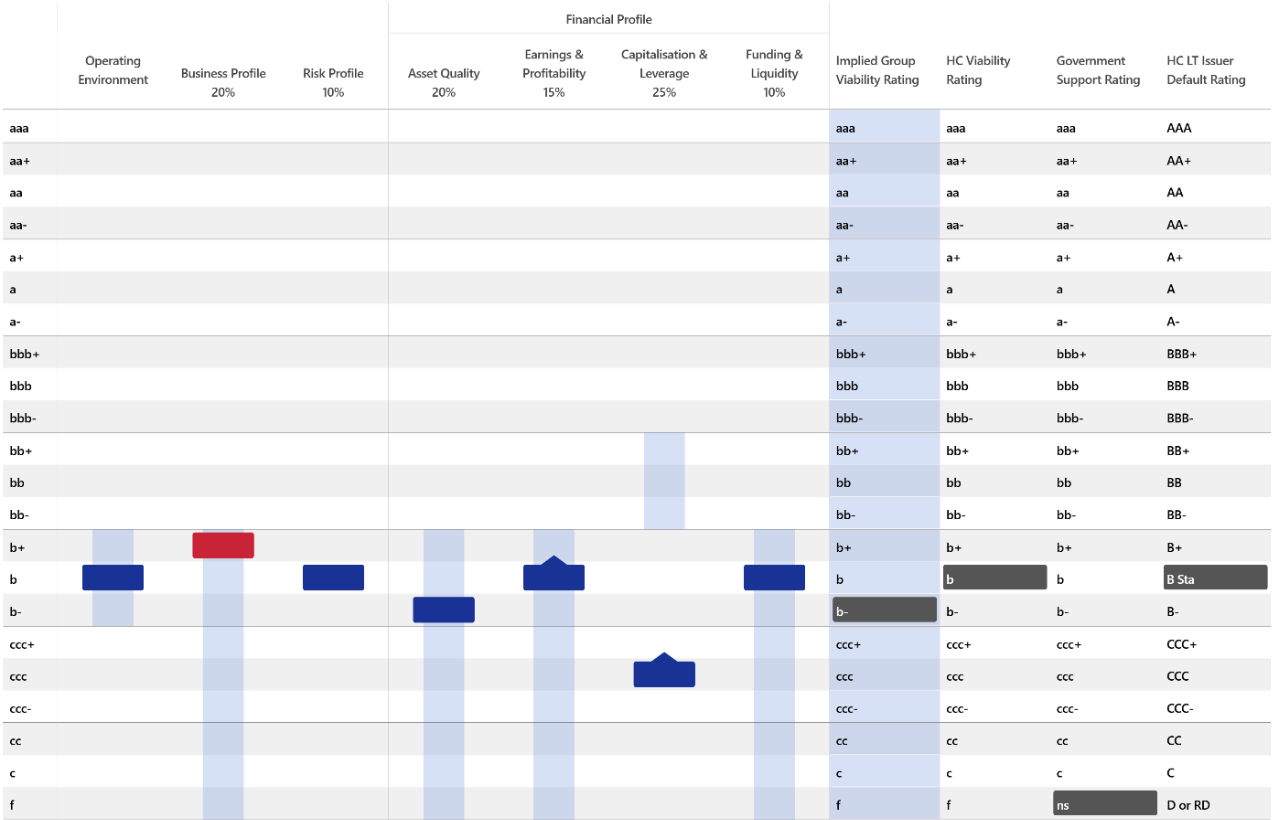
The expiry of regulatory forbearance in 2025 resulted in FHC taking sizeable prudential provisions on Stage 3 oil and gas exposures. These were deducted from retained earnings and transferred to regulatory risk reserves, reducing FHC's CAR to 11.0% at end-2025 (end-2024: 17.3%).

FHC's CAR recovered to 15.0% at end-1Q26, driven by strong earnings. Net income rose by 72% year-on-year in 1Q26, supported by 40% revenue growth and a slower 21% increase in operating expenses. This lifted annualised operating returns on RWAs to 9.7% at the consolidated level. FBN's consolidated CAR also improved to 13% at end-1Q26 (end-2025:10%).

We expect capital compliance to be restored by end-3Q26, supported by strong internal capital generation and planned core capital issuance. We estimate retained earnings to add about 100bp a month to CAR. Planned core capital raisings should further strengthen capital. About NGN200 billion is expected to be downstreamed to FBN.

The affirmation of FHC's and FBN's ratings with Stable Outlooks reflects our expectation that the breach of the minimum regulatory total CAR requirement since end-2025 will be remedied by end-3Q26.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

Factor Outlook

Stable Evolving Positive Negative

VR - Adjustments to Key Rating Drivers

The capitalisation & leverage score of 'ccc' is below the 'bb' category implied score due to the following adjustment reason: regulatory capitalisation (negative).

The VR of 'b' is above the 'b-' implied VR due to the following adjustment reason: business profile (positive).

Company Summary and Key Qualitative Factors

Operating Environment

Reforms Support Macroeconomic Stability

The authorities have continued to build on policy reforms implemented since taking office in May 2023 to restore macroeconomic stability and enhance policy coherence and credibility. This marks a clear shift towards more orthodox policymaking after years of unconventional measures and financial repression, although near-term challenges including geopolitical risks and election-related dynamics remain.

The Nigerian naira has been fairly stable in 2025 and so far in 2026, following a 70% devaluation in 2023-2024 that helped narrow the gap between the official and parallel-market rates. Average daily FX market turnover has increased significantly, supporting a material improvement in the banking sector's FC liquidity, as indicated by its return to a net foreign asset position of USD8.4 billion at end-2025 (end 2022: net foreign liability position of USD2.6 billion). The CBN's gross international reserves (May 2026: USD49 billion) has similarly improved significantly and it has reduced the FX swaps that it has with the local banks.

Fitch expects the CBN to act carefully in the near term given heightened external risks and renewed upward pressure on fuel and food prices linked to the Iran conflict, and does not anticipate much further monetary easing, including a reduction in the cash reserve ratio requirement. A looser fiscal policy stance ahead of the election or fuel price increases could reverse disinflation and prompt renewed tightening. Renewed inflationary pressures may constrain real GDP growth, which Fitch forecasts at 4.1% in 2026.

Business Profile

Strong Domestic Franchise

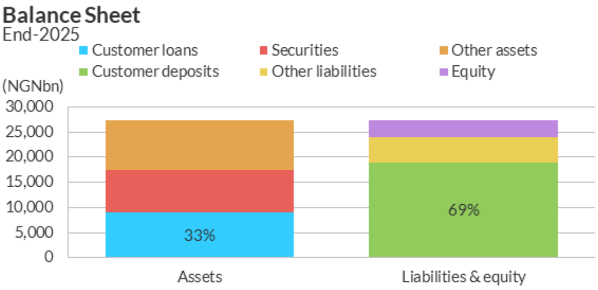
FBN is Nigeria's oldest banking group and the third-largest by assets. It represented about 9.4% of domestic banking system assets at end-2025 and is considered a domestic systemically important bank (D-SIB) by the CBN. FBN's market position – although still strong – has weakened in recent years as its comparatively tight capital position has constrained growth during a period in which other D-SIBs have expanded aggressively. Fitch believes the capital breach has had no impact on the group's ability to grow business volumes and attract deposits and funding.

FBN has Nigeria's leading retail franchise, which is supported by its well-entrenched brand, the largest branch network and the largest agent banking network (318,000 customers) in the country, and digital banking channels with more than 40 million customer accounts. The franchise supports a large deposit base that provides one of the lowest funding costs in the banking system.

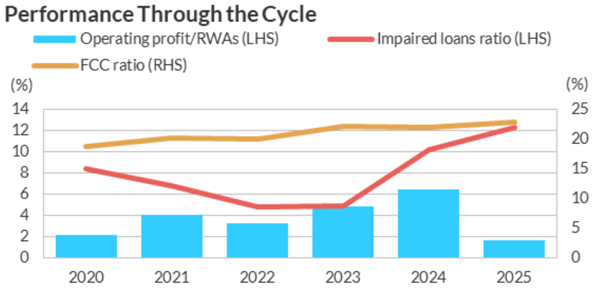
FHC's large customer base and strong retail funding franchise underpin the diversified revenue streams, with non-interest income averaging 34% of operating income over the past four years. Net fees and commissions were 16% of operating income in 2025, driven by large digital banking and trade finance-related revenues.

Foreign operations represented 36% of assets and 22% of revenues in 2025, which underpinned the diversification of FHC's business model. The UK subsidiary represented 16% of assets, while subsidiaries over the rest of Africa were about 20%.

The UK subsidiary primarily acts as a correspondent bank for trade finance transactions and, to a lesser extent, services Nigerian high-net-worth clients. The UK subsidiary also supports FHC's liquidity management, and a large proportion of FBN's high-quality FC liquid assets sit with the UK subsidiary. FBN's subsidiaries in the rest of Africa are in six West and Central African countries (Democratic Republic of Congo, Gambia, Ghana, Guinea, Senegal and Sierra Leone), dominated by operations in the Democratic Republic of Congo.



Source: Fitch Ratings, Fitch Solutions, FHC



Source: Fitch Ratings, Fitch Solutions, FHC

Risk Profile

Small Loan Book

Net loans represented just 33% of assets at end-2025. Securities are the second-largest component of the asset base (31%), comprising Nigerian government securities (B/Stable), hard-currency-denominated high-quality liquid assets held by the UK subsidiary, and sub-Saharan African government securities held by subsidiaries in the rest of Africa. Loans and advances to banks (13%) largely comprise hard-currency nostro balances with investment-grade international banks. Cash and due from banks (18%) are largely cash reserves at the CBN. Exposure to the Nigerian sovereign through securities and cash held with the CBN is high representing 19% and 15% of total assets respectively at end-2025. Exposure to the sovereign, including lending to the public sector, was 38% of assets at end-2025 (3x equity).

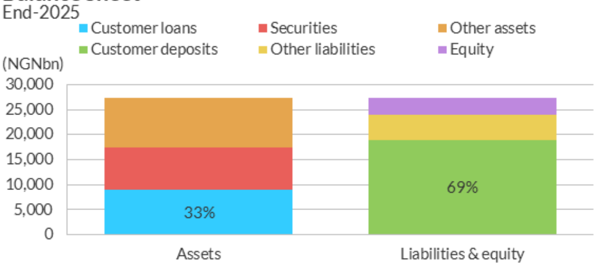
Material Credit Concentrations

Single-borrower credit concentration, although improving, is still significant relative to capital. This is despite the NGN229 billion of fresh capital raised in 2025. The largest loans are mostly to oil and gas companies, state governments and leading Nigerian and African companies.

Oil and gas exposure is significant and above the sector average, representing 35% of gross loans, or almost 100% of FCC, at end-2025. Upstream exposures tend to be legacy large-ticket items and feature heavily among the largest Stage 2 and Stage 3 loans.

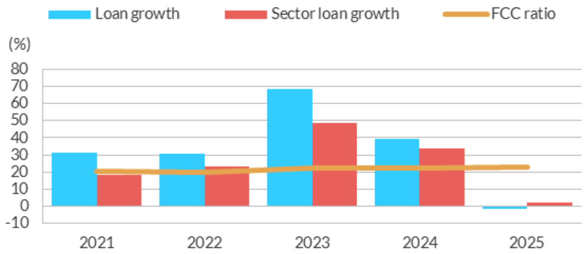
Hard-currency loans represented about 43% of FBN's loan book at end-2025. This was down from end-2024 (51%) but still high by domestic standards, partly reflecting the greater exposure to Nigeria's oil and gas sector. The bank has deliberately reduced hard-currency lending in recent years, and we expect this to continue, with high oil prices supporting paydowns from oil and gas corporate customers as well as FHC's focus on local-currency loans. Credit growth was muted in 2025 given the focus on the balance-sheet clean up but we expect it to pick up to 5%-10% in 2026 as credit demand slowly recovers.

Balance Sheet
End-2025



Source: Fitch Ratings, Fitch Solutions, FHC

Loan Growth



Source: Fitch Ratings, Fitch Solutions, FHC

Financial Profile

Asset Quality

FHC's asset quality has been particularly weak over the past six years, reflecting poor underwriting standards prior to its risk-management overhaul and extremely high exposure to the oil and gas sector that coincided with the collapse in oil prices over 2014-2015. The impaired loans ratio (Stage 3 loans under IFRS 9) has declined significantly in recent years from its peak of 25% at end-2018 due to large write-offs and reclassifications while the group has been tightening underwriting standards.

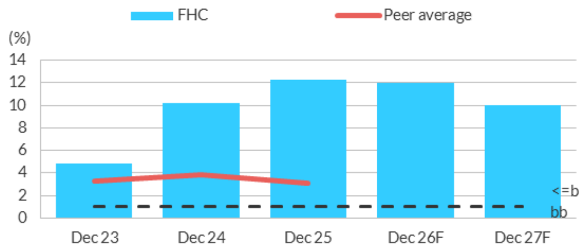
The significant write-offs in 2025 (11% of gross loans) were mainly driven by one large oil and gas upstream exposure. The Stage 3 loans ratio went up to 12.2% at end-2025 (end-2024: 10.2%) following the expiry of regulatory forbearance. FHC's Stage 3 exposures are highly concentrated, with the three largest exposures representing about 70% of Stage 3 loans. We expect the Stage 3 loans ratio to reduce to about 10% by end-2027, supported mainly by restructurings.

The Stage 2 loans ratio declined to 14% at end-2025 (end-2024: 28%), reflecting the end of regulatory forbearance on classification of problematic oil and gas loans. Most of exposures which were under regulatory forbearance migrated to Stage 3 at end-2025, underpinning the reduction in the bank's Stage 2 loans ratio.

Significant write-offs drove the fall in total reserve coverage of Stage 3 loans to 23% at end-2025 (end-2024: 53%). FHC's total reserve coverage of Stage 3 loans stands well below the sector's average, while its specific Stage 3 coverage of 19% at end-2025 reflected high levels of collateral on impaired oil and gas loans.

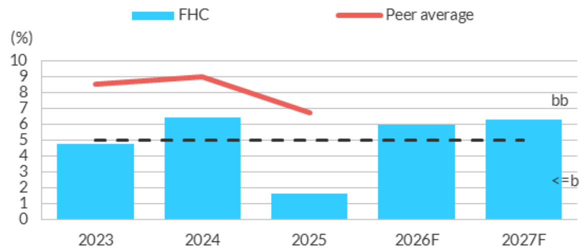
Asset quality is also highly influenced by significant sovereign exposure, including fixed-income securities and cash reserves at the CBN.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

FHC has healthy profitability through the cycle, with operating returns on RWAs averaging 4% over the past four years. Profitability benefits from a low cost of funding and healthy non-interest income, but is weaker than that of other D-SIBs due to a higher cost/income ratio and large loan impairment charges (LICs) in recent years.

The operating profit/RWAs ratio of 1.6% in 2025 (2024: 6.5%) was negatively impacted by very large LICs, which consumed 77% of pre-impairment operating profit following the end of forbearance. We expect LICs in 2026 to be materially lower, mainly due to progress in cleaning up the loan book and, to a lesser extent, improving credit quality. Operating income grew by only 6% year-on-year in 2025 because of the non-recurrence of fair-value gains on derivatives of NGN535 billion (25% of 2024 operating income), which boosted 2024 results. This is despite wider NIMs, which were up 120bp year-on-year.

We expect operating returns on RWAs to jump to 5.9% in 2026 and 6.3% in 2027, supported by a fall in cost of risk, strong revenue growth as cost of funding decreases and stronger non-interest revenues as business conditions recover.

Capitalisation and Leverage

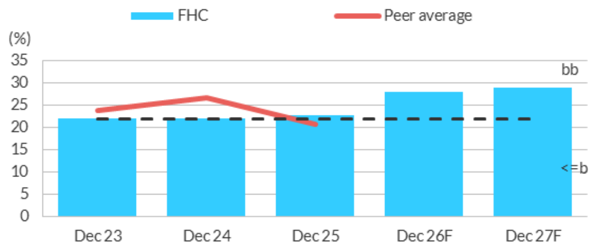
FHC's FCC ratio (end-2025: 22.7%) is above the banking system average, due to lower balance sheet leverage. The tangible leverage ratio is 11.7%. The FCC ratio is well above FHC's CAR, reflecting the inclusion of non-distributable regulatory risk reserves in equity.

FBN's unconsolidated and consolidated CAR fell well below the minimum regulatory requirement of 15% at end-2025 as a result of the end of regulatory forbearance, which led to large deduction to retained earnings. This is despite a NGN269 billion capital injection from the holding company (equivalent to 1.9% of FHC's RWAs at end-2025). FHC is in the process of raising up to NGN253 billion in core capital by end-3Q26, and plans to inject NGN200 billion into FBN. This should restore compliance with the minimum regulatory requirement of 15%. FBN is compliant with the NGN500 billion minimum paid-in capital requirement for internationally licensed banks effective from 1 April 2026.

We expect FBN's unconsolidated and consolidated CARs to be above 15% by end-3Q26 – even without capital raisings. FBN's consolidated CAR improved to 13% at end-1Q26, about 3pp up from end-2025, and we expect stronger earnings to restore compliance by end-3Q26, assuming moderate growth in RWAs.

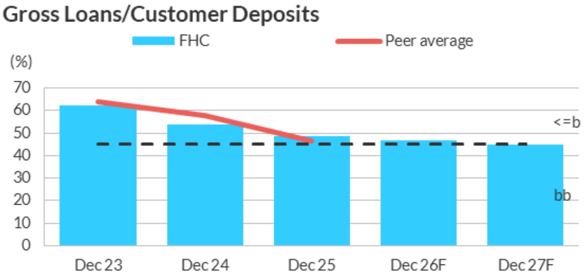
Capital encumbrance is higher than at domestic-rated peers. Stage 3 loans net of specific loan loss allowances were 27% of FCC at end-2025 considering FHC's low reserve coverage of Stage 3 loans. Pre-impairment operating profit was nonetheless a substantial 14% of gross loans in 1Q26 (annualised), providing FHC with strong buffers to absorb higher LICs without affecting capital.

FCC Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

We view FHC's funding and liquidity profile as a rating strength. FHC's funding profile largely comprises customer deposits (end-2025: 84% of non-equity funding). The structure of the customer deposit base is among the banking sector's strongest, comprising a high percentage of retail and SME deposits (end-2025: about 60% at FBN; unconsolidated) and current and savings accounts (end-2025: 81%) underpinning below sector average cost of funding. This is underpinned by the bank being the largest agency banking network in Nigeria, and having a strong digital banking franchise.

Depositor concentration is moderate. FC deposits were about 24% of customer deposits at end-1Q26, down from 33% at end-2024. Similar to other Nigerian banks, FBN's FC customer deposits are concentrated and dominated by large corporates.

FHC's low gross loans/customer deposits ratio (end-2025: 49%) is reflective of a small loan book (end-2025: 34% of total assets). Large holdings of sovereign fixed-income securities, cash and restricted cash with the CBN and interbank placements support high local-currency liquidity coverage. FC liquid assets largely comprise nostro balances with international investment-grade banks, investment grade Eurobonds and, to a lesser extent, Nigerian Eurobonds.

FC liquidity is healthy, as evidenced by a low FC loans/deposits ratio of 54% at end-2025. We estimate that net placements with foreign banks and investment-grade Eurobonds covered FC deposits by 25% at end-2025.

Additional Notes on Charts

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'b and below' category. Peer average includes Coronation Merchant Bank Limited (VR: b-), Fidelity Bank PLC (b), United Bank for Africa Plc (b), Zenith Bank Plc (b), Access Bank Plc (b), Guaranty Trust Bank Limited (b), Stanbic IBTC Holdings PLC (no VR). Latest data available for Coronation Merchant Bank Limited are for 2024; for Fidelity Bank PLC, United Bank for Africa Plc, 9M25. Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report.

Financials

Financial Statements

	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25
	12 months	12 months	12 months	12 months
	(NGNbn)	(NGNbn)	(NGNbn)	(NGNbn)
Summary income statement				
Net interest and dividend income	366	555	1,412	1,931
Net fees and commissions	118	193	245	294
Other operating income	91	395	464	61
Total operating income	575	1,142	2,121	2,286
Operating costs	364	564	934	1,270
Pre-impairment operating profit	212	578	1,187	1,015
Loan and other impairment charges	55	219	390	780
Operating profit	157	359	797	235
Other non-operating items (net)	1	0	13	-8
Tax	22	48	133	88
Net income	136	310	677	139
Other comprehensive income	-8	459	386	157
Fitch comprehensive income	128	769	1,063	297
Summary balance sheet				
Assets				
Gross loans	3,929	6,634	9,263	9,229
– of which impaired	185	322	945	1,129
Loan loss allowances	140	275	495	262
Net loans	3,789	6,359	8,768	8,966
Interbank	1,223	2,053	3,302	3,458
Derivatives	63	621	182	8
Other securities and earning assets	3,134	4,447	7,870	8,453
Total earning assets	8,209	13,480	20,122	20,886
Cash and due from banks	1,791	2,572	4,415	5,074
Other assets	578	885	1,987	1,291
Total assets	10,578	16,938	26,524	27,251
Liabilities				
Customer deposits	7,124	10,663	17,171	18,883
Interbank and other short-term funding	1,538	2,648	3,588	2,512
Other long-term funding	545	998	1,573	1,451
Trading liabilities and derivatives	38	143	50	62
Total funding and derivatives	9,246	14,453	22,382	22,908
Other liabilities	336	738	1,347	1,042
Total equity	996	1,747	2,795	3,301
Total liabilities and equity	10,578	16,938	26,524	27,251

Exchange rate	USD1= NGN448.5500	USD1= NGN899.3930	USD1= NGN1535.8175	USD1= NGN1436.3106

Source: Fitch Ratings, Fitch Solutions, FHC

Key Ratios

(%)	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25	31 Dec 26F	31 Dec 27F
Profitability						
Operating profit/risk-weighted assets	3.3	4.8	6.4	1.6	5.9	6.3
Net interest income/average earning assets	4.9	5.3	7.7	9.5	-	-
Non-interest expense/gross revenue	63.3	49.4	44.1	55.6	-	-
Net income/average equity	14.9	23.9	30.0	4.6	-	-
Asset quality						
Impaired loans ratio	4.7	4.9	10.2	12.2	12.0	10.0
Growth in gross loans	30.8	68.8	39.6	-0.4	-	-
Loan loss allowances/impaired loans	75.8	85.3	52.4	23.3	-	-
Loan impairment charges/average gross loans	1.3	3.3	3.8	8.2	-	-
Capitalisation						
Fitch Core Capital ratio	19.9	22.1	22.0	22.7	28.1	29.0
Tangible common equity/tangible assets	9.1	9.8	10.3	12.0	-	-
Net impaired loans/Fitch Core Capital	4.7	2.9	16.5	26.6	-	-
Funding and liquidity						
Gross loans/customer deposits	55.2	62.2	54.0	48.9	46.7	44.7
Customer deposits/total non-equity funding	77.4	74.5	76.9	82.5	-	-

Source: Fitch Ratings, Fitch Solutions, FHC

Support Assessment

Government Support

Sovereign		Nigeria
Sovereign Long Term Issuer Default Rating	•	B/Stable
Total adjustment (notches)		—
Typical D-SIB Government Support for sovereign's rating level		b
Actual jurisdiction D-SIB Government Support		ns
Government Support Rating		ns
Government ability to support D-SIBs		
Size of banking system	•	Neutral
Structure of banking system	•	Neutral
Sovereign financial flexibility (for rating level)	•	Negative
Government propensity to support D-SIBs		
Resolution legislation	•	Neutral
Support stance	•	Negative
Government propensity to support bank		
Systemic importance	•	Negative
Liability structure	•	Negative
Ownership	•	Neutral

The colours below indicate the influence of each support factor in our assessment.
Influence: Dark blue = neutral; Red = higher
Source: Fitch Ratings

The government's ability to provide full and timely support to commercial banks is weak due to its high debt-servicing metrics. The Government Support Rating is therefore 'ns', reflecting our view of no reasonable assumption of support for senior creditors being forthcoming should a bank become non-viable.

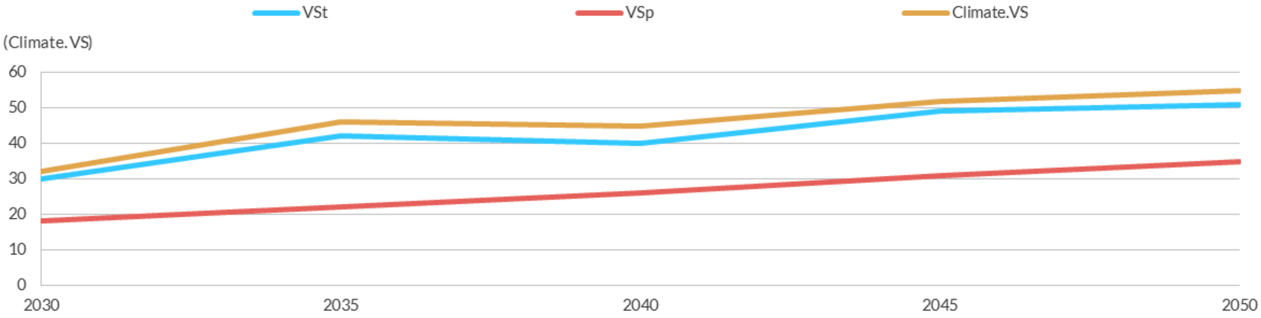
Fitch's view is that government support is unlikely to extend to a BHC given its low systemic importance and a liability structure that could be more politically acceptable to be bailed in. The Government Support Rating for BHCs is therefore 'ns', reflecting our view of no reasonable assumption of support for senior creditors being forthcoming should a BHC become non-viable.

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify issuers whose credit profiles have a higher potential exposure to climate-related risks, and to subject those ratings to additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk).

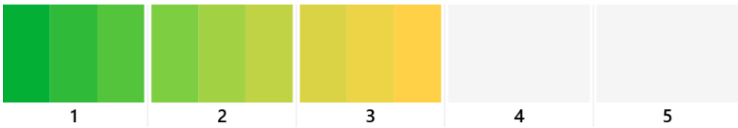
The Climate.VS for FHC for 2035 is 46, which indicates that climate risk factors are not expected to materially affect the credit profile, but some adaptation may be needed. This reflects a transition risk (VSt) component signal of 42 and a physical risk (VSp) component signal of 22. Any potential effect on the rating may differ from the illustrative rating impact in the Climate.VS framework. For more information on Climate.VS, see Fitch's Bank Rating Criteria.

Climate Vulnerability Signals for First HoldCo Plc



Source: Fitch Ratings

Environmental, Social and Governance Considerations

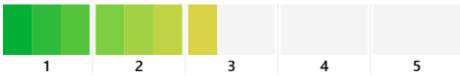


Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	2	Regulatory risks, emissions fines or compliance costs related to owned, financed or managed assets, which could impact asset prices, profitability, etc.	Operating Environment; Business Profile; Risk Profile; Asset Quality
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile; Risk Profile; Asset Quality

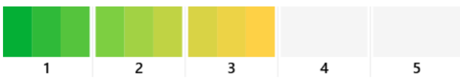
Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile; Risk Profile
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile; Risk Profile
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile; Financial Profile



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Business Profile
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile; Earnings & Profitability; Capitalisation & Leverage
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile



ESG Scoring

ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Ratings

First Bank of Nigeria Ltd/First HoldCo Plc **Foreign Currency**	
Long-Term IDRs	B
Short-Term IDRs	B
Viability Ratings	b
Government Support Ratings	ns

National Ratings	
National Long-Term Rating	A+(nga)
National Short-Term Rating	F1+(nga)

Sovereign Risk (Nigeria)	
Long-Term Foreign-Currency IDR	B
Long-Term Local-Currency IDR	B
Country Ceiling	B

Outlooks	
Long-Term Foreign-Currency IDRs	Stable
National Long-Term Ratings	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

ESG and Climate

Highest ESG Relevance Scores	
Environmental	2
Social	3
Governance	3

Climate Vulnerability
2035 Climate Vulnerability Signal: 46
Transition (VSt): 42
Physical (VSp): 22

Applicable Criteria

Bank Rating Criteria (May 2026)
National Scale Rating Criteria (December 2020)

Related Research

Fitch Affirms First Holdco and First Bank of Nigeria at 'B'; Outlook Stable (May 2026)
African Banks Could be Affected in Prolonged Iran War Scenario (April 2026)
Nigeria (April 2026)
Nigerian Banks Positioned for Growth as Paid-In Capital Requirements Met (April 2026)
Nigerian Banks Well-Positioned to Meet 2026 Eurobond Maturities (February 2026)

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For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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