



FIRST HOLDCO PLC FY 2025

Earnings Report Update

**PREPARED BY:
SAVEST RESEARCH**

 +234 913 444 6070

 globaladvisory@savest-financial.com

 www.savest-financial.com

Company Overview

First HoldCo Plc is a diversified financial services group with core operations spanning commercial banking, investment banking, and asset management. The group provides financial intermediation to retail and corporate clients, alongside advisory, markets, and asset management services, complemented by insurance brokerage and alternative investment activities across Nigeria and select international markets.

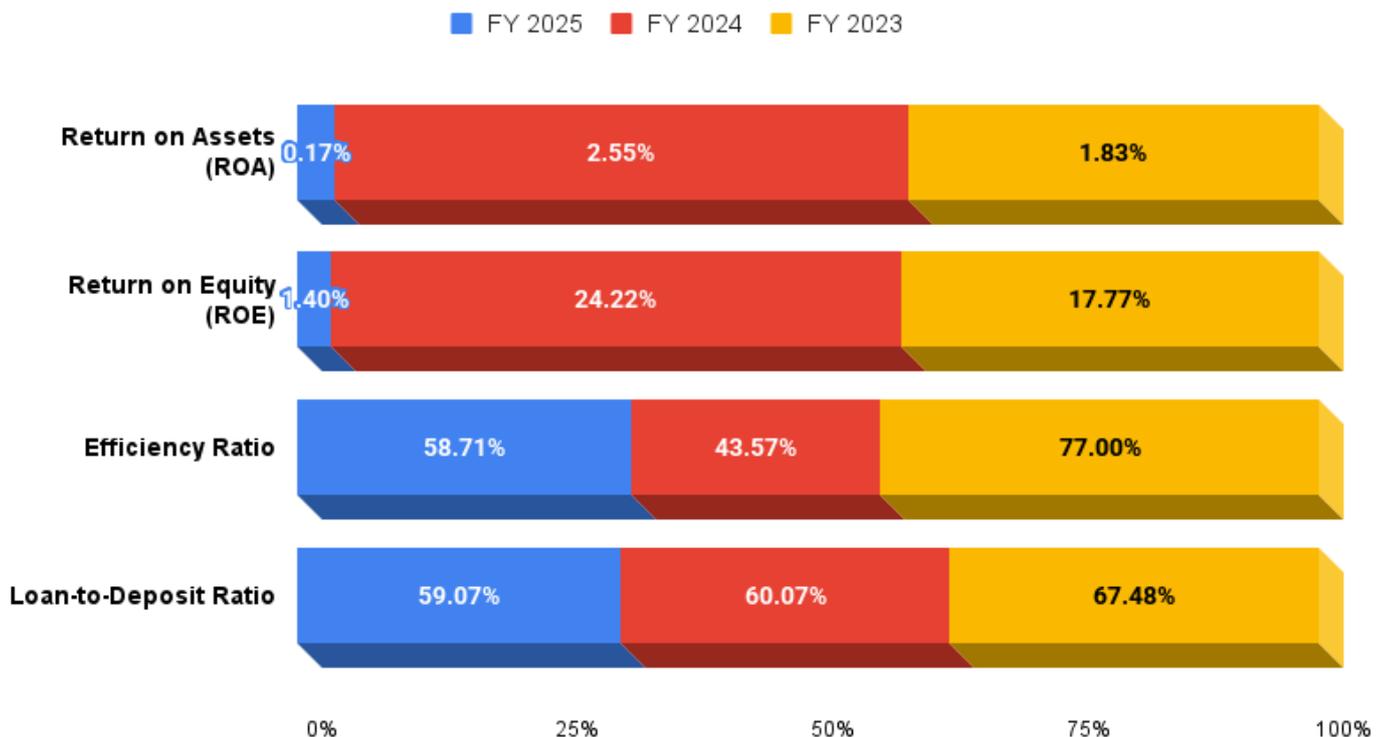
The group operates a diverse network of subsidiaries and representative offices across Africa, Europe, Asia, and the Middle East, including wholly owned banks in Ghana, Guinea, Senegal, Sierra Leone, Gambia, and the UK, as well as majority ownership in FirstBank DRC. It also maintains representative offices in China, South Africa, and the UAE, alongside specialized businesses such as First Pension Custodian Nigeria Limited and FBN Mortgages Limited.

Revenue/Profitability Summary			
Million NGN(₦), except EPS	FY 2025	Q4 2025	YOY
Net interest income	1,910,129	409,551	36.31%
Fee and commission income	354,018	93,541	16.26%
Operating profit	228,370	(337,540)	-71.31%
Profit before tax	229,097	(337,440)	-71.24%
Profit for the year	44,982	(405,886)	-93.36%
Earnings per share	0.91	-	-95.10%
Cost/Expenses Summary			
Million NGN(₦)	FY 2025	Q4 2025	YOY
Interest expense	1,053,811	262,011	5.79%
Impairment charge for losses	748,125	459,206	75.50%
Fee and commission expense	63,283	16,500	6.16%
Personnel expenses	385,913	96,994	25.10%
Depreciation, amortisation and impairment	76,295	20,311	23.09%
Other operating expenses	809,362	211,594	43.58%
Income tax expense	176,344	67,882	32.61%
Cash Flow Summary			
Million NGN(₦)	FY 2025		YOY
Net cash from operations	8,983		-99.82%
Net cash used in investing	-1,536,051		2.84%
Net cash used in financing	-214,173		53.61%
Closing cash balance	3,964,317		-30.52%
Key Items of Financial Position Summary			
Million NGN(₦)	31st Dec 2025	QOQ	YOY
Loans and advances	12,359,905	-8.19%	2.40%
Investment securities	7,197,873	13.35%	10.12%
Total assets	27,065,235	2.52%	2.04%
Deposits	20,923,162	5.77%	4.13%
Borrowings	1,653,285	-5.15%	6.02%
Total liabilities	23,854,273	3.07%	0.53%
Total equities	3,210,962	-1.42%	14.87%

Segment Performance by Revenue

Million NGN(₦)	FY 2025	% Revenue	YOY
Commercial Banking Group	3,284,994	96.16%	5.81%
Investment Banking and Asset Management	74,312	2.18%	-28.70%
Others	56,712	1.66%	-15.82%

Margin and Efficiency Analysis



Performance Highlights

- Revenue growth in 2025 was driven primarily by robust interest income from loans and advances to customers, supported by expansion in both domestic and foreign lending portfolios. Fee and commission income also contributed meaningfully, reflecting strong growth in digital transaction volumes and advisory services, which rose significantly year-on-year.
- The Commercial Banking Group remained the largest contributor, generating ₦3.285 trillion, or 97.6% of total revenue. Growth in this segment was fueled by strong loan origination, which increased marginally to ₦9.063 trillion, and higher foreign exchange trading gains.
- The Investment Banking and Asset Management segment reported ₦74.3 billion in revenue, a 28.3% decline from ₦103.6 billion in 2024. While revenue from advisory fees and fund management remained stable, net trading gains were subdued due to tighter market liquidity and modest revaluation losses in select equity instruments.
- Profit before tax rose to ₦229.1 billion, supported by higher interest margins and lower impairment charges. Net profit from continuing operations amounted to ₦52.8 billion, marking a 20.5% increase from the previous year's ₦43.8 billion.
- Total interest income grew to ₦2.964 trillion, up 23.5% from ₦2.397 trillion in 2024, reflecting both volume growth in loans and a higher yield environment. Interest expense increased moderately to ₦1.054 trillion, resulting in net interest income growth of approximately 29%, which significantly supported the Group's core earnings.
- Fee and commission income rose to ₦748.1 billion, reflecting strong digital banking adoption and increased transaction volumes, particularly in electronic banking and fund transfer services. Other operating income contributed ₦29.1 billion, while net gains on investment securities added ₦53.3 billion, reversing a prior-year loss of ₦48.1 billion.
- Total assets expanded to ₦27.065 trillion, up 2.0% from ₦26.524 trillion in 2024. Key drivers included an increase in loans and advances to customers to ₦9.064 trillion, higher investment securities to ₦7.198 trillion, and increased cash balances with central banks to ₦5.021 trillion, strengthening liquidity buffers and risk management.
- Total liabilities increased slightly to ₦23.854 trillion, up 0.5% year-on-year, primarily due to higher customer deposits and borrowings to fund asset growth. Effective liability management and prudent liquidity provisioning helped maintain a stable net interest margin while supporting growth initiatives across segments.
- Operating expenses rose to ₦809.4 billion, a 43.5% increase from ₦563.7 billion in 2024, reflecting higher AMCON levies, deposit insurance premiums, and staff-related costs.

Concerns Raised

- The Group recorded a net foreign exchange loss of ₹16.8 billion, underscoring its exposure to currency fluctuations in cross-border operations. While FX revenue remains a significant contributor, sustained depreciation could compress margins and weigh on earnings.
- Operating expenses rose sharply due to regulatory levies and insurance premiums. The 43.5% increase in costs outpaced revenue growth, highlighting the need for tighter cost management to safeguard profitability, particularly if revenue growth moderates in 2026.
- Revenue from Investment Banking & Asset Management declined by 28.3%, reflecting weaker trading gains and lower deal volumes. The segment's reliance on market-driven revenues exposes the Group to macroeconomic and liquidity cycles, underscoring the need for strategic diversification to sustain consistent earnings.
- Although impairments decreased, loans to top-tier corporates and large projects continue to represent a significant portion of total lending. Any sectoral downturn or slowdown in key industries could erode asset quality and necessitate higher provisioning, posing a potential risk to net profitability.

OUR INSIGHT

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First HoldCo Plc's FY 2025 performance was characterized by higher interest income, a 75% surge in fees, and improved asset quality, highlighting the company's operational resilience. Commercial Banking continues to drive earnings, while Investment Banking lagged due to weaker trading gains. Long-term prospects remain positive given disciplined risk management and digital adoption, but investors should monitor foreign exchange exposure, regulatory cost pressures, and concentrated corporate lending, which could impact margins if adverse macroeconomic conditions persist.

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INVESTMENT ADVISOR & INTER-DEALER BROKER

INDIVIDUALS

FAMILY OFFICES

INSTITUTIONS

CONTACT US



+234 913 444 6070



globaladvisory@savest-financial.com



Scan the QR Code to access our
website

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