

# Q2 2025 NEWSLETTER



Dear Esteemed Client,

We would like to welcome you to another edition of our periodic newsletter. In this edition, you will find updates on the Macroeconomic Environment, Financial Markets, Pension Industry, and VG Pensions update.

If you have any questions, kindly send an email to [info@vgpensions.com](mailto:info@vgpensions.com), [contactcenter@vgpensions.com](mailto:contactcenter@vgpensions.com), or call us on 0201-4638050. You can also reach us through any of our social media platforms.

We would love to hear from you.

## Crude Oil: A Vital Pillar for Fiscal Sustainability



The successful implementation of the 2025 national budget of ₦54.99 trillion now appears to be a tall dream. The budget was based on a benchmark oil price of US\$75 per barrel and a production target of 2.06 million barrels per day. However, in H1:2025, average oil price stood at US\$72 per barrel, and actual daily production remained well below the target.

These developments, which have made very unlikely the attainment of the projected revenue of ₦35 trillion, have increased the risk of wider fiscal deficits. Any further volatility in global oil prices could heighten fiscal pressures and potentially delay the implementation of capital projects.

## Inflation Rates

For the second consecutive month, Nigeria's headline inflation declined to 22.97% YoY in May from 23.71% YoY in April. The moderation could be attributable to improved FX stability, easing energy prices, and a slowdown in money supply growth.

## Equities Market Update

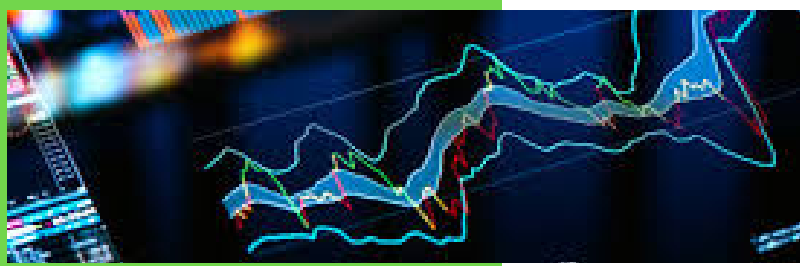
In Q2 2025, the Nigerian stock market closed on a positive note, with the NGX All-Share Index (ASI) advancing by 13.55% to close at 119,978.57 points. Year-to-date (YtD), the ASI rose from 2.66% at the end of Q1 to 16.57% by the end of Q2: 2025.

Foreign investor participation remained subdued, with domestic investors continuing to dominate market activity. As of May 2025, data from the Nigerian Exchange Group (NGX) showed that domestic investors accounted for approximately 71% of the total transaction value, significantly outpacing their foreign counterparts.

## External Reserves



As of the end of June 2025, Nigeria's external reserves experienced a decline of \$938.84 million QoQ, bringing the total to \$37.37 billion. This decrease is largely attributable to obligations related to external debt service and an increase in foreign exchange sales conducted by the Central Bank of Nigeria (CBN). Additionally, there has been a notable reduction in participation from foreign portfolio investors during this period.



### Update on the Bonds & Treasury Bills Markets

- Like the previous quarter, trading activities in the secondary bond market closed Q2:2025 on a bullish note, driven by strong investor appetite for higher-yielding instruments. Robust demand across the yield curve led to a 27bps decline in average yields, settling at 18.44%.
- In the Treasury bills market, yields also trended lower, with the stop rate for the 1-year bill declining from an average of 19.87% in Q1:2024 to 19.44% in Q2:2025 at the most recent auction.

### Money Market Update

- In the money market, rates within the fixed deposit segment remained relatively stable, ranging between 22.00% and 24.00% for banks rated A and BBB.
- As of the end of June 2025, the Overnight (O/N) and Overnight Policy Rate (OPR) settled at 27.17% and 26.58%, respectively.
- Several commercial papers are also being offered at attractive yields in the market.



### **PENSION INDUSTRY UPDATES**

- The most recent update from the National Pension Commission (PenCom) shows that the total pension Assets Under Management (AUM) increased by ₦326.22bn from ₦23.27 trillion in March 2025 to ₦23.65trn by end of April 2025.
- Investments in FGN securities constituted 61.94% of the total AUM. In monetary terms, the Pension Fund Administrators allocated ₦14.65 trillion of their AUM to government securities.
- The value of pension Assets held in Money Market instruments rose by 4.81% MoM from ₦2.08 trillion in March 2025 to ₦2.18 trillion in April 2025, while pension holdings in Private Equities rose significantly by 40.10% from ₦164.30 billion in March 2025 to ₦230.18 billion as of end of April 2025.
- The PenCom data also revealed that the total number of RSA holders stood at 10,718,655.
- During the quarter, the Nigerian pension witnessed some bold regulatory reforms relating to the administration of retirement benefits and the remittance of pension contributions.

- Ms. Omolola Oloworaran, the new Director General of the Commission, who is the chief driver of the changes has demonstrated uncommon commitment to an efficient and technology-driven pension administration system.
- One of the major changes introduced was the granting of full authority to PFAs to process and approve retirement benefit applications like Programmed Withdrawal, Temporary Loss of Employment benefits, Pension Mortgage, and Voluntary Contribution benefits, among others. The new arrangement took effect from June 1, 2025. The PFAs are, however, required to secure approval from the Commission for death benefit applications and payments relating to depleted RSAs.
- The second major development was the introduction of a new Pension Contribution Remittance System (PCRS) and the engagement of 9 approved Payment Solution Service Providers (PSSPs) for the collection of pension contributions. The new remittance system took full effect June 1, 2025. Therefore, employers who have not yet adopted any of the approved PSSPs are required to promptly do so to ensure timely and accurate remittance of pension contributions for their employees.
- The approved PSSPs are:

List of the 9 PSSPs	Website
1. <b>PAYPEN</b> by Netline Limited	<a href="https://paypen.ng/">https://paypen.ng/</a>
2. <b>PENCENTRAL</b> by Chamsaccess Limited	<a href="https://pensioncentral.ng">https://pensioncentral.ng</a>
3. <b>PENSPHERE</b> (formerly PAYTHRU) by Pethahiah	<a href="https://pensphere.ng">https://pensphere.ng</a>
4. <b>PENREMIT</b> by Cyberspace Limited	<a href="https://penremit.ng">https://penremit.ng</a>
5. <b>PENSOL</b> by Uniswitch Technology Limited	<a href="https://pensionspayments.com">https://pensionspayments.com</a>
6. <b>PENCO</b> by Gemspay Solutions Limited	<a href="https://gemspaysolution.com">https://gemspaysolution.com</a>
7. <b>AWABAH</b> by Awabah Remit Services Limited	<a href="https://www.penpay.com.ng/">https://www.penpay.com.ng/</a>
8. <b>EPCOSS</b> by Nigeria Inter-bank Settlement systems Plc	<a href="https://epccos.nibssplc.com.ng/EPCCOS/login">https://epccos.nibssplc.com.ng/EPCCOS/login</a>
9. <b>INTERSWITCH</b> by Interswitch group	<a href="https://www.interswitchgroup.com/Pensions">https://www.interswitchgroup.com/Pensions</a>







## PENSION INDUSTRY NEWS HIGHLIGHTS

### PenCom to Blacklist Companies Refusing to Remit Pensions from November - *BusinessDay*

The National Pension Commission (PenCom) has announced that, from 10 November, it will blacklist organisations that fail to meet their pension remittance obligations.

Omolola Oloworaran, the Director-General of PenCom said it is now “zero tolerance for non-compliance” as PenCom adopts a firmer stance to enforce the 2014 Pension Reform Act. Read more: <https://businessday.ng/news/article/pencom-to-blacklist-companies-refusing-to-remit-pensions-from-november/>

### PenCom Unveils Pension Boost 1.0, Raising Monthly Payouts for over 233,000 Nigerian Retirees - *Nairametrics*

The National Pension Commission (PenCom) has launched Pension Boost 1.0, a new initiative under the Contributory Pension Scheme (CPS) designed to enhance monthly payments to retirees nationwide.

“This is the news every retiree has been waiting for,” Oloworaran declared. “Over 233,000 retirees will now see increased monthly payments, dependent on their RSA balances.”

Read more: <https://nairametrics.com/2025/06/20/pencom-unveils-pension-boost-1-0-raising-monthly-payouts-for-over-233000-nigerian-retirees/>

### PenCom Proposes N30 Billion Gratuity Plan for Federal Civil Servants - *Guardian*

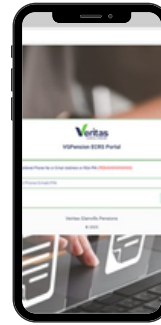
The National Pension Commission (PenCom) has proposed a new gratuity framework of N30 billion yearly for federal civil servants under the Contributory Pension Scheme (CPS).

This is part of ongoing reforms to improve retirement benefits for workers in treasury-funded ministries, departments and agencies (MDAs). Read more: <https://guardian.ng/business-services/business/pencom-proposes-n30-billion-gratuity-plan-for-federal-civil-servants/>

### PenCom Hammer Dangles on Employers Barring Contract Staff from CPS - *Inspenonline*

The National Pension Commission (PenCom) has said employers that failed to enroll their contract staff in the Contributory Pension Scheme (CPS) would be heavily sanctioned from November 30, 2025. Read more: <https://inspenonline.com/pension/pencom-hammer-dangles-on-employers-barring-contract-staff-from-cps/>

## VG PENSIONS NEWS



### Data Recapture of RSA Holders

In line with the National Pension Commission (PenCom) directive on biometrics data recapture of Retirement Savings Account (RSA) Holders, we have deployed an online application to facilitate this process.

Please click on the link to begin the data recapture exercise: <https://mobileapp1.vgpensions.com:82/>.

If you need any information or assistance, please do not hesitate to reach out to us on 0201-4638050 or email: [contactcenter@vgpensions.com](mailto:contactcenter@vgpensions.com)

### Equity Contributions for Residential Mortgage

- The provisions of Section 89 (2) of PRA 2014 allow RSA holders to use a portion of their RSA balance towards payment of equity for a residential mortgage.
- We have supported over 700 clients in accessing part of their pension savings as Equity Contributions for Residential Mortgage.
- Why wait when you can make homeownership a reality today?
- With VG Pensions, it's more than just retirement savings. It's about building your future, securing your dreams, and living the life you've worked so hard for.

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**Thank you for reading**