

Q3 2025 NEWSLETTER



Dear Esteemed Client,

We welcome you to the latest edition of our newsletter!

In this edition, you'll find valuable insights on the economy and financial markets, updates from the pension industry, and highlights of recent activities at VG Pensions.

For further enquiries, please contact us via info@vgpensions.com, contactcenter@vgpensions.com, or 0201-4638050, or connect with us through any of our social media platforms.

A SNAPSHOT OF THE NIGERIAN ECONOMY



Nigeria's economy grew by 4.23% in Q2 2025, showing steady improvement from 3.48% in the same quarter last year and 3.13% in Q1 2025, according to the National Bureau of Statistics (NBS).

- The oil sector recorded a strong rebound, expanding by 20.46% year-on-year — more than double its growth in Q2 2024 (10.08%).
- The non-oil sector continues to drive overall performance, contributing 95.95% to Nigeria's real GDP.



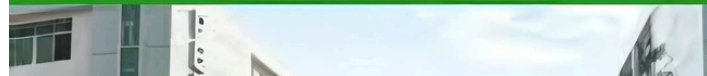
- Nigeria's external reserves rose by US\$5.14 billion in Q3 2025, reaching US\$42.35 billion as of end-September.
- The increase reflects the positive impact of Central Bank reforms and greater transparency in the foreign exchange market, which have strengthened the Naira and boosted investor confidence.

Inflation Trends Downward

Headline inflation eased for the fifth consecutive month, declining to 20.12% YoY in August 2025 from 21.88% in July. The downward trend was driven by a more stable FX market and lower logistics costs, indicating gradual price stability.

Sustained Gains in the Nigerian Stock Market

For the third consecutive quarter, the Nigerian Exchange (NGX) closed on a positive note, with the All-Share Index (ASI) gaining 18.95% in Q3 2025, up from 13.55% in Q2.



Although foreign investor participation showed a modest improvement, it remained relatively low. Domestic investors continued to drive market activity, accounting for about 80% of total transaction value as of August 2025, according to data from the Nigerian Exchange Group (NGX).

Declining Yields in the Bond & Treasury Bills Markets

- Nigeria's bond and treasury markets in Q3 reflected a dynamic interplay of funding pressures, investor sentiment, and monetary policy expectations, resulting in strong buying activity and a notable decline in average yields.
- The Debt Management Office (DMO) raised ₦898.72 billion through various bond issuances and about ₦1.9 trillion from six Treasury Bills auctions during the quarter.
- The secondary bond and Treasury Bills markets closed September on a bullish note, with average yields dropping by 75 basis points (bps) and 126 bps, to 16.35% and 17.88%, respectively.

Improved Liquidity and Declining Money Market Rates

- In the money market, the Overnight Policy Rate (OPR) eased to 24.50% in September 2025, down from 26.50% in August, while the Overnight (O/N) rate also declined to 24.92% from 26.95%.
- Fixed deposit rates trended lower, as several banks either declined new placements or offered more conservative rates, typically ranging between 18% and 21%.

Concerns over High Debt Service Burden



- Nigeria's external debt servicing slowed to US\$2.86 billion in the first eight months of 2025 but still accounted for a significant 69.08% of total foreign payments of US\$4.14 billion during the period.
- The high debt servicing burden remains a concern, as it pressures foreign reserves, reduces FX availability for essential imports and capital goods, and heightens fiscal vulnerability.

PenCom's latest report, released on September 29, 2025, shows that total pension assets increased by 15.02% year-to-date, reaching ₦25.89 trillion as of August 31, 2025, compared to ₦22.51 trillion recorded at the end of December 2024. In addition, RSA membership increased by 300,362 year-to-date, rising from 10,582,299 as of December 31, 2024, to 10,882,661 as of August 31, 2025.

During the quarter, the National Pension Commission (PenCom) launched its ambitious reform agenda — **Pension Revolution 2.0: Stronger Pensions, Stronger Nigeria** — aimed at deepening pension coverage, strengthening governance, and safeguarding retirees' dignity. The reform introduces several landmark initiatives, including:

- **Health insurance for retirees and the activation of a minimum pension guarantee** to improve post-retirement welfare.
- **Higher minimum capital requirements** for PFAs and Custodians to enhance financial resilience and operational stability.
- **Revised Regulations on the Investment of Pension Fund Assets** to promote more diversified and risk-adjusted portfolios.
- **Guidelines for the Personal Pension Plan (PPP)** to expand pension access to the informal sector.
- **Framework for the Engagement of Accredited Pension Agents** to improve PPP onboarding, contribution channels, and customer experience.
- **Foreign Currency Pension Contributions Guidelines** to enable seamless participation by Nigerians earning in foreign currency (including those abroad) and foreigners in Nigeria earning in USD.
- **Revised ICT Guidelines for Pension Fund Operators** to strengthen data protection, cybersecurity, and digital service delivery.
- **Revised Guidelines on Corporate Governance for licensed operators** to reinforce transparency, accountability, and ethical standards.
- **Circular on Shared Services Arrangements with Related Parties** to improve disclosure, mitigate conflicts of interest, and promote efficiency.

As an active industry player, VG Pensions remains fully aligned with these reforms — ensuring full compliance, adopting enhanced operational standards, and reinforcing our commitment to protecting the interests of our contributors and retirees in Nigeria's evolving pension landscape.



During the quarter, we hosted our annual Osun State Retiree Forum, bringing together retirees to discuss important pension-related updates and provide a platform for engagement and feedback. The forum serves as a vital opportunity to strengthen our relationship with retirees, address their concerns, and ensure they remain informed and supported in their retirement journey.

The event also featured free medical services, with healthcare professionals on ground to attend to the needs of the retirees, further underscoring VG Pensions’ holistic approach to retirees’ welfare.

Here is the overwhelmingly positive feedback from our esteemed retirees:

One retiree, Mr. Ajibade Ayodele, commended the company for its consistency. He said, “The updates I receive at each forum are highly informative. I make it a point to share this valuable knowledge with my colleagues at other pension fund administrators, as I believe it is essential for everyone to recognize the benefits of the contributory pension scheme.”

Similarly, Mrs. Obembe Iyabo Motunrayo, who retired in 2017, expressed gratitude to VG Pensions for its care and customer service. She noted, “Since my retirement, I have consistently received timely monthly pension payments. Each time I visit your office, the staff treat me with kindness and respect, making me feel valued. This level of care is something I genuinely appreciate, and I encourage VG Pensions to maintain this outstanding service.”

Chief Jegede, another retiree, emphasized the company’s reliability. He remarked, “I have been receiving my pension since 2018, and VG Pensions has always been prompt and consistent in the payment of my monthly pension.”

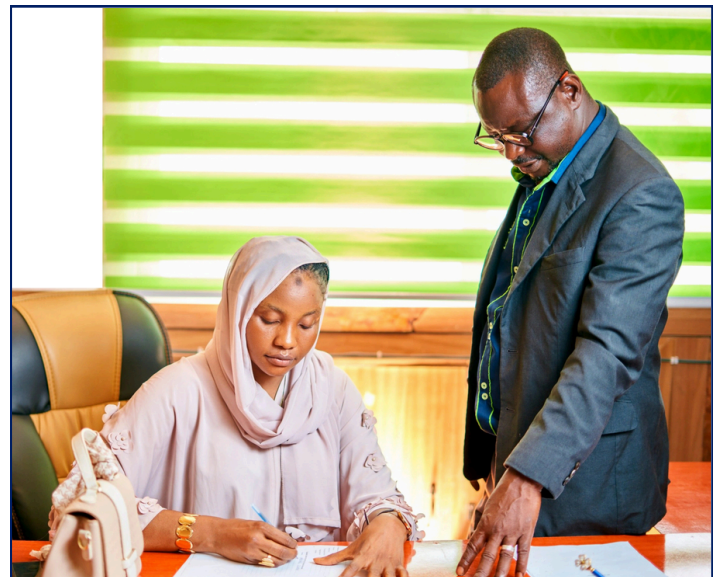
To read more about the event, click the links below to access the publications in national dailies.

- <https://www.thisdaylive.com/2025/09/01/osogbo-retirees-applaud-vg-pensions-at-annual-forum/>
- <https://leadership.ng/vg-pensions-assures-retirees-of-quality-services-healthcare/>
- <https://independent.ng/vg-pensions-reaffirms-commitment-to-retirees-at-its-annual-forum-in-osogbo-2/>
- <https://www.pensionnigeria.com/pension-news/vg-pensions-hosts-retirees-in-osogbo/>

New Partnership, Same Commitment - Driving Retirement Planning Awareness Together with Hannah Usman

In September, we proudly welcomed Hannah Usman, renowned media personality and lifestyle influencer, as our newest Brand Ambassador. She joins veteran actor and producer Femi Adebayo, who has represented the VG Pensions brand for over five years.

This partnership aims to deepen retirement planning awareness by leveraging Hannah’s strong influence and passion for financial empowerment. Her role will help inspire and educate Nigerian workers in both the formal and informal sectors on the importance of planning for retirement, while boosting awareness and enrolment in VG Pensions’ Personal Pension Plan (PPP)—a retirement savings product tailored to meet the needs of self-employed individuals and workers who wish to make personal contributions.



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/>.

Thank you for reading

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