

Q3 2026 NEWSLETTER



Public VGP/NWES/Q3/2026/043

A QUARTERLY PUBLICATION OF VERITAS GLANVILLS PENSIONS LIMITED

Dear Esteemed Client,

We would like to welcome you to the fourth quarter of the year 2026 and to another edition of our periodic newsletter. In this edition, you will find updates on the Macroeconomic Environment and Financial Markets, the Pension Industry, and highlights of our investment returns for the third quarter of 2026. Please, if you are yet to undergo the data recapture exercise as required by PenCom, kindly click this link <https://tinyurl.com/VGP-DRE> to update your records.

Should you have any questions or require additional information, please contact our Customer Experience Team via email at CustomerExperience@vgpensions.com or by phone on 0201-4638050. You can also reach us through any of our social media platforms (@vgpensions).

We would love to hear from you.

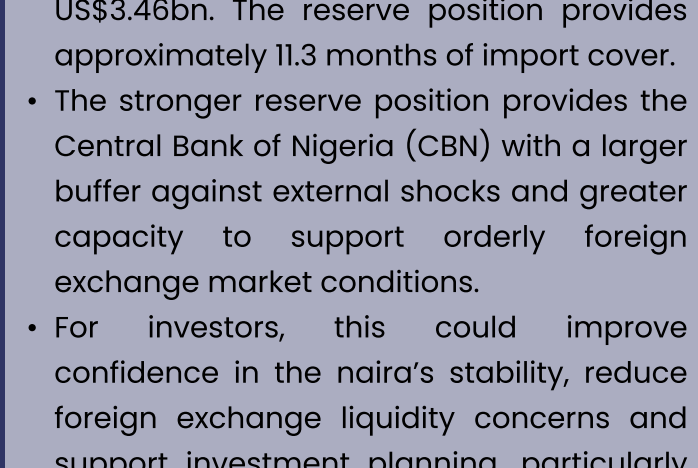
NIGERIA'S PUBLIC DEBT CONTINUES TO RISE

- Nigeria's total public debt rose to ₦166.79tn in June 2026, from ₦159.35tn in March. This comprises ₦91.59tn domestic debt (54.91%) and ₦75.20tn external debt (45.09%).
- Year-on-year, national debt increased 9.4% (₦14.39tn) from ₦152.40tn in June 2025, driven by higher domestic and external borrowing.
- Federal Government of Nigeria's domestic debt, which is the larger component stood at ₦87.00 trillion, with Nigerian Treasury Bills amounting to ₦19.48 trillion.



GDP PERFORMANCE

- Nigeria's economy expanded by 4.43% year-on-year (YoY) in Q2 2026, accelerating from 3.89% YoY in Q1 2026 and exceeding the 4.23% YoY growth recorded in Q2 2025.
- The stronger performance was supported by improved growth across both the oil and non-oil sectors. The non-oil sector expanded by 4.31% YoY (Q1 2026: +3.94% YoY), while the oil sector grew by 7.31% YoY (Q1 2026: +2.57% YoY). Agriculture and ICT were particularly important, cumulatively accounting for c.50% of the increase in real GDP during the quarter.
- The stronger oil-sector performance reflected improved production, with average daily crude oil output, including condensates, rising 2.38% YoY to 1.72mbpd in Q2 2026, while average total gas output increased by 0.9% YoY.
- In terms of output composition, the non-oil sector remained dominant, accounting for 95.84% of real GDP, while the oil sector's contribution increased to 4.16%, compared with 3.92% in Q1 2026.



NIGERIA'S PUBLIC DEBT RISES TO ₦166.79 TRILLION

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- Year-on-year, debt increased 9.4% (₦14.39tn) from 152.40tn in June 2025, driven by higher domestic and external borrowing.
- Domestic debt remains dominant, with FGN domestic debt at 87.00tn and Nigerian Treasury Bills at 19.48tn. The DMO has also released Q2 2026 external debt-service data, replacing Q1 as the latest quarterly release.
- Rising domestic borrowing and funding costs remain key fiscal risks, highlighting the need for stronger revenues, spending discipline and improved efficiency.

INFLATION RATE MODERATES FURTHER

- Headline inflation eased for the third consecutive month, falling marginally to 15.39% YoY in August 2026 from 15.43% in July. Food inflation also moderated to 19.6% from 20.3%.
- The 4.2pp gap between food and headline inflation highlights continued food supply and logistics pressures.
- The Central Bank of Nigeria (CBN) reset the Monetary Policy Rate (MPR) downward by 350 basis points to 23.0% from 26.5% at its September 21-22, 2026 Monetary Policy Committee meeting. The adjustment followed a period of easing inflationary pressures and was described by the CBN as an operational reset aimed at improving monetary policy transmission, rather than a fundamental shift in its policy stance.

NIGERIA'S EXTERNAL RESERVES CONTINUE TO STRENGTHEN

- Nigeria's gross external reserves increased to US\$54.92bn as of 29 September 2026, from US\$51.46bn at end-June 2026, representing an increase of about US\$3.46bn. The reserve position provides approximately 11.3 months of import cover.
- The stronger reserve position provides the Central Bank of Nigeria (CBN) with a larger buffer against external shocks and greater capacity to support orderly foreign exchange market conditions.
- For investors, this could improve confidence in the naira's stability, reduce foreign exchange liquidity concerns and support investment planning, particularly for businesses with significant foreign currency exposure.

NIGERIA EQUITIES MARKET UPDATE

- The Nigerian equities market sustained its positive momentum in Q3 2026, with the NGX All-Share Index (ASI) rising by 9.50% quarter-on-quarter to close at 251,211.67 points.
- This marked the market's third consecutive quarterly gain, reflecting sustained investor interest and positive market sentiment.
- Sectoral performance was broadly positive. The NGX Banking Index led the gains, advancing by 31.01%, followed by the NGX Oil & Gas Index, which rose by 22.98%.
- However, the NGX Consumer Goods and NGX Insurance indices declined by 11.67% and 1.00%, respectively, highlighting divergent performance across sectors.

FIXED INCOME MARKETS UPDATE

The average yield on Federal Government of Nigeria (FGN) bonds declined from 17.79% at the end of June 2026 to 15.86% by the end of September, representing a decrease of 1.93 percentage points.

The downward trend was supported by moderating inflation, improved system liquidity and the Central Bank of Nigeria's (CBN) 350-basis-point reduction in the Monetary Policy Rate (MPR) to 23.0% on 22 September 2026, which contributed to lower yields across most bond tenors.

Treasury bill rates also eased during Q3 2026, reflecting the softer inflation outlook and the reduction in the policy rate.

MONEY MARKET UPDATE

- In the money market, liquidity conditions remained relatively stable during the quarter, supporting a moderation in short-term funding rates.
- However, by the end of September, both the Open Repo Rate (OPR) and the Overnight (O/N) rate declined to 20.00% and 20.39% from 22.00% and 22.16% respectively as of June 2026.
- The decline in money market rates also filtered through to fixed-deposit pricing, with rates on large-ticket placements above ₦1 billion falling to between 16.00% and 17.50%, from around 18.00% and 19.50% in the previous month.

PENSION INDUSTRY NEWS AND DEVELOPMENTS

PENSION ASSETS UNDER MANAGEMENT

Pension Assets Under Management

- The Nigerian pension industry continued to record growth, with total pension assets rising from ₦27.45 trillion as of 31 December 2025 to ₦31.80 trillion as of 31 August 2026, representing a year-to-date increase of ₦4.35 trillion (15.85%).
- These figures were contained in a report released by the National Pension Commission (PenCom) on 28 September 2026, highlighting the continued expansion of the industry and its growing role in Nigeria's financial markets.
- The industry's Retirement Savings Account (RSA) membership also increased from 11.04 million contributors as of 31 December 2025 to 11.39 million as of 31 August 2026, representing an addition of 350,781 contributors and year-to-date growth of 3.18%. This growth reflects the continued expansion of Nigeria's Contributory Pension Scheme and the gradual broadening of pension coverage.



INTERVENTIONS ON PENSION INDUSTRY

- The most significant single fiscal intervention was the Federal Government's approval of a ₦758 billion FGN bond to address longstanding pension liabilities under the CPS, dating back to 2007.
- The bond proceeds were allocated for the settlement of key pension obligations, including ₦387 billion for outstanding pension increases, ₦253 billion for accrued pension rights of retired Federal Government employees, ₦107 billion for the Pension Protection Fund, and ₦11 billion to address pension shortfalls for eligible university professors.
- The ₦758 billion FGN bond intervention had directly reached 957,045 Nigerians, while accrued pension rights moved from 21 months in arrears to a 41-month surplus.
- Consequently, the seemingly intractable delay in payment of pensions to FGN retirees due to non-release of accrued pension rights, which has persisted for over a decade, has now been resolved.
- Under PenCom's One-Time Enrolment initiative, accrued pension rights for enrolled prospective Federal Government retirees have been paid up to December 2029, resulting in a 41-month payment surplus.

957,045 Nigerians have directly benefited from the ₦758 billion bond intervention

₦387 billion Outstanding pension increases

₦253 billion Accrued pension rights of retired federal government employees

41 months Accrued pension rights moved from 21 months in arrears to a 41-month surplus

₦107 billion Pension Protection Fund

A NEW LAYER OF PROTECTION AT RETIREMENT: THE INTRODUCTION OF EXIT BENEFIT SCHEME

- The Exit Benefit Scheme provides eligible retiring federal civil servants who have completed at least 10 years of service with an additional benefit equivalent to 100 per cent of their total annual emolument at retirement, separate from their normal CPS pension from their normal CPS pension effective from 1 January 2026.
- Implementation is already producing measurable outcomes. By September 2026, approximately 1.1 billion had been paid to 175 retirees who exited the Federal Public Service between January and August 2026.
- The 2026 Appropriation provides 32.90 billion for the scheme, while 12.3 billion had been released into the dedicated Exit Benefit Scheme Account.

₦1.1 billion paid to 175 retirees who exited the Federal Public Service between January and August 2026

₦253 billion Provided in the 2026 Appropriation for the scheme.

₦12.3 billion had been released into the dedicated Exit Benefit Scheme Account.

₦32,000 MONTHLY ADJUSTMENT FOR MORE THAN 195,000 RETIREES

- Following the implementation of the new national minimum wage, eligible retirees of Treasury-funded MDAs who retired on or before 29 July 2024 became entitled to an additional 32,000 monthly.
- The adjustment covers over 195,000 pensioners, with additional monthly payments estimated at 6.2 billion.

HIGHER MONTHLY PENSION PAYMENTS

- Pension Boost 1.0 was introduced by PenCom to enhance retirees' welfare by improving monthly pension payments under the CPS.
- Under Pension Boost 1.0, aggregate monthly pension payouts increased from 12.2 billion to 14.9 billion, representing a 22% increase.
- This translates to an additional 2.7 billion in monthly payments, or over 32 billion annually, benefiting more than 233,000 retirees.
- The increase provides tangible financial relief to retirees through higher monthly pension income.

PENCARE HEALTHCARE FOR VULNERABLE RETIREES

- PenCom has commenced the pilot phase of Pencare, a healthcare initiative for eligible low-income retirees under the Contributory Pension Scheme.
- The pilot targets 30,000 retirees nationwide who are aged 60 and above and receive monthly pensions of no more than ₦70,000, helping to reduce the burden of healthcare costs in retirement.

UPCOMING EVENT: NATIONAL PENSION WEEK 2026

- In a major step towards strengthening Nigeria's pension culture, the National Pension Commission (PenCom) has scheduled the maiden National Pension Week for 26-30 October 2026.
- The initiative aims to deepen pension awareness, expand coverage and encourage more Nigerians to plan for a financially secure retirement.
- The five-day programme will bring together young people, entrepreneurs, retirees, pension professionals and media practitioners through targeted engagements designed to promote pension literacy, encourage participation in the Contributory Pension Scheme and highlight initiatives aimed at improving retirement outcomes across the country. Please visit <https://npw.ng/programme/> for more information.

EXHIBIT AT NATIONAL SME FAIR

Showcase your products and services

27th October 2026

Location: Classique Events Place, Lagos

BOOTHS ARE FREE Limited booths available. Terms and Conditions apply.

APPLY TO npw.ng/sme-fair/

Convened by **NIGERIAN PENSION INDUSTRY**

PenOp

NATIONAL NPW ESSAY COMPETITION

TOPIC: My Dream for a Great Retirement Experience in Nigeria

Open to Secondary School Students (JSS/SSS/SSS)

Submission Opens: 1 October 2026

Submission Closes: 20 October 2026

Winners announced: 26th October 2026

Cash prizes, laptops and other exciting prizes to be won

FOR MORE INFORMATION: www.npw.ng/youth-engagement/essay/

Convened by **NIGERIAN PENSION INDUSTRY**

RSA BALANCE FOR RESIDENTIAL MORTGAGE EQUITY CONTRIBUTION



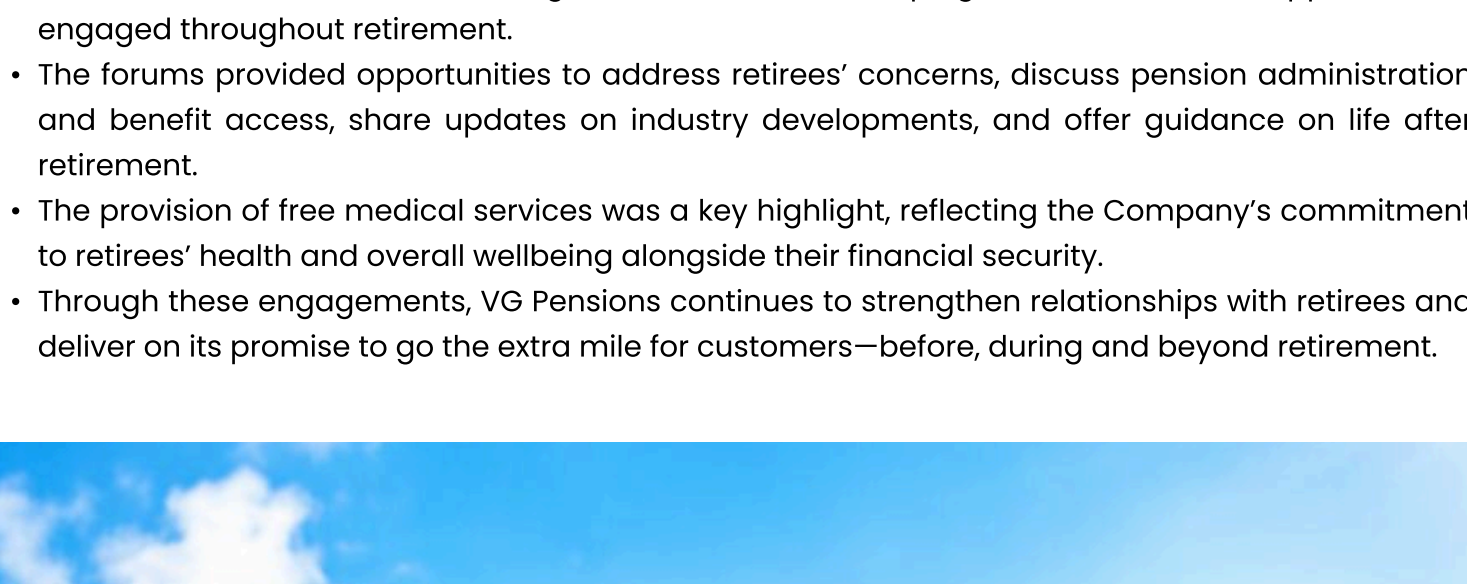
DON'T JUST DREAM **BECOME A HOUSE OWNER**

Accessing Retirement Savings Account (RSA) balances to fund equity contributions for residential mortgages by RSA holders.

The Pension Reform Act 2014 (PRA 2014) allows RSA holders to use a portion of their RSA balance towards payment of equity for a residential mortgage. The objective is to improve the standard of living of RSA holders under the Contributory Pension Scheme (CPS) and Micro Pension Plan (MPP) by facilitating their ownership of residential homes during their working life among others. For more information, please click <https://tinyurl.com/vgpensions-mortgage>

WE WERE IN THE NEWS!

VG PENSIONS DEEPENS RETIREE ENGAGEMENT THROUGH REGIONAL FORUMS



During the quarter, Veritas Glanvills Pensions Limited hosted its 2026 Annual Retiree Forums in Ogun State and Kaduna, reinforcing its commitment to keeping retirees informed, supported and engaged throughout retirement.

The forums provided opportunities to address retirees' concerns, discuss pension administration and benefit access, share updates on industry developments, and offer guidance on life after retirement.

The provision of free medical services was a key highlight, reflecting the Company's commitment to retirees' health and overall wellbeing alongside their financial security.

Through these engagements, VG Pensions continues to strengthen relationships with retirees and deliver on its promise to go the extra mile for customers—before, during and beyond retirement.

We are now open at Gwagwalada

We've expanded our Abuja presence with a new office in Gwagwalada, making it easier for you to access our pension services.



Suite B11, Kiran Plaza Plot 724, Secretariat Road Opposite Police Housing Estate Gwagwalada District, Federal Capital Territory, Nigeria.

