NATIONAL PENSION COMMISSION

STRONGER PENSIONS, STRONGER NIGERIA

# Nigerian Pension Industry

## Quarterly Industry Report

**Q4 2025**
OCTOBER - DECEMBER 2025

*Stability · Coverage · Welfare · Compliance · Investment*

| | |
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| **Issued by** | **National Pension Commission** |
| **Period** | Q4 2025 (1 October – 31 December 2025) |
| **Audience** | Board, Executive Committee, National Assembly, Pension Operators, Public |
| **Framework** | PenCom Insight Framework — five outcome domains; aligned with Pension Revolution 2.0 |

# Contents

# Executive Dashboard

**Q4 2025 AT A GLANCE** As at 31 December 2025
**Headline indicators across the five PIF outcome domains**

| PENSION ASSETS (NAV) | Q4 CONTRIBUTIONS | NEW RSAs (Q4) | ACCRUED RIGHTS PAID |
|---|---|---|---|
| **₦27.45 trillion** | **₦903.70 billion** | **114,864** | **₦30.06 billion** |
| +5.22% vs Q3 (₦26.09 trillion) Equity-led revaluation | Public ₦550.96 billion (+234.85%) Private ₦352.74 billion (+4.16%) | Cumulative 11,042,903 74.10% under age 40 | 8,770 retirees and deceased FGN-funded |
| WATCH | ON TRACK | ON TRACK | ON TRACK |

| REAL RETURN (36-MONTH) | PPP FUNDING RATIO | STATES FULLY COMPLIANT | EMPLOYER RECOVERIES |
|---|---|---|---|
| **Below CPI** | **8.0%** | **8 / 37** | **₦387.79 million** |
| All RSA Funds tracking under 17.4% inflation, but trajectory is improving | 17,320 funded of 215,412 registered RSAs | 17 have passed the law but not yet implementing | From 16 defaulters Cumulative ₦32.75 bn since 2012 |
| WATCH | CRITICAL | STALLED | ON TRACK |

## Status by outcome domain

| Domain | Q4 status | Headline read |
|---|---|---|
| A. Stability | Stable | Asset growth held; 5.22% NAV expansion driven mainly by equity revaluation rather than fresh inflows. |
| B. Coverage | Mixed | Formal CPS coverage growing strongly; PPP and subnational adoption are the binding constraints. |
| C. Welfare | Stable | Almost 22,000 retirees served; ₦30.06 billion accrued rights settled; benefit administration on track. |
| D. Compliance | Improving | Recoveries strong; e-PCC issuance and PCRS rollout consolidating digital compliance posture. |
| E. Investment | Watch | Real returns below inflation but on an improving trajectory; revised investment guidelines now in force; FGN concentration at 59.50% — diversification is the next move. |

# Director General's Read

### HEADLINE — Q4 2025

The pension industry consolidated the gains of 2025 in the fourth quarter. Assets grew 5.22 %, contributions rose to ₦903.70 billion, and benefit administration remained robust. The Commission discharged its statutory obligations and advanced the digital, governance, and inclusion agenda set out under Pension Revolution 2.0.

Two structural matters remain in clear view as we close the year. First, real returns across all RSA Funds remain below inflation on a thirty-six month (36) basis. The trajectory is improving and the revised investment guidelines now in force give PFAs the tools they need to push real returns into positive territory; sustained execution at PFO level is what now matters. Second, 92% of registered Personal Pension Plan accounts have received no contribution. Without intervention, these two findings will define the credibility of the system before any of our other achievements register with members.

## What is working

- Asset accumulation continues. Net Asset Value reached ₦27.45 trillion, up by ₦1.36 trillion from September 2025.
- Contribution discipline is improving. Public sector remittances rose by 234.85 % on the back of pension increases and the settlement of arrears; private sector remittances grew by 4.16 %.
- Federal Government legacy obligations are being honoured. ₦30.06 billion was paid to 8,770 retirees and deceased contributors as accrued rights.
- Compliance enforcement continues to yield tangible results. During the quarter, ₦387.79 million was recovered from 16 defaulting employers, bringing cumulative recoveries since 2012 to ₦32.75 billion.
- Digital compliance is taking root. 4,560 electronic Pension Clearance Certificates were issued in the quarter, covering ₦23.62 billion of contributions for 61,891 employees.

## What is at risk

- Real returns: All RSA Funds remain below the 17.4 % headline inflation rate over the rolling thirty-six (36) month window, although the trajectory is improving. Sustained delivery on the now-issued revised investment guidelines is what will close the gap and protect member purchasing power.

- PPP funding and coverage gap: 198,092 of 215,412 registered Personal Pension Plan RSAs are dormant. Inclusion is being measured in registrations rather than savings.
- Subnational coverage: Only eight of thirty-seven (36 States and the FCT) jurisdictions are fully compliant with the CPS. No movement was recorded in Q4.
- Industry concentration: The top five PFAs accounted for 62.11 % of new RSAs and the top two PFAs alone for 39.71 %. AccessARM Pensions accounts for 52.53 % of cumulative PPP registrations.
- Data recapture: Only 16.36 % of legacy RSA holders have been recaptured, with progress uneven across operators.

### What we will do

- Drive returns optimisation under the issued revised investment guidelines. With new guidelines now in force, the immediate task is for PFAs to review and recalibrate their investment strategies to take full advantage of the broader instrument set, including alternatives, and infrastructure. This will deliver improved real returns for contributors.
- Accelerate engagement and onboarding under the Accredited Pension Agent framework. Activate accredited agents, deepen distribution partnerships with cooperatives, fintechs, telcos, trade unions, and professional associations, and drive sustained sensitisation campaigns to bring informal sector workers, MSMEs, gig workers, and self-employed Nigerians onto the Personal Pension Plan.
- Convene a States Compliance Roundtable in Q1 2026, anchored on the Pension Contribution Remittance System and the planned Subnational CPS Adoption Index.
- Sustain ongoing preparatory work towards the implementation of the Minimum Pension Guarantee, and initiate affordable health insurance schemes for low-income retirees and contributors in collaboration with HMOs and the National Health Insurance Authority (NHIA).
- Tighten PFO governance through enforcement of laws and regulations.

# Risk Heatmap and Register

The Q4 2025 supervisory risk picture is summarised in the heatmap below. Each risk is rated for likelihood and impact and tracked across quarters with a directional trend. The Commission's working position on each risk is captured in the register that follows.

## Risk Heatmap

IMPACT →

| | Very Low | Low | Moderate | High | Very High |
|---|---|---|---|---|---|
| Very High | | | R4 Macroeconomic / FX volatility | | R1 Real returns below inflation |
| High | | | R7 Data recapture progress (16.36%) | R3 FGN securities concentration (59.50%) | R2 PPP funding gap (92% unfunded) |
| Moderate | | | R5 Subnational CPS — 8/37 compliant | R6 Top-5 PFA market concentration | R9 PFA cyber and operational risk |
| Low | | | R8 Recovery dependency on RAs | | |
| Very Low | | | | | |

↑ LIKELIHOOD

## Risk Register

| ID | Risk | Lead mitigant | Trend |
|---|---|---|---|
| R1 | Real returns below inflation across all RSA Funds | Revised investment guidelines now in force; PFA-led recalibration of investment strategy into alternatives, infrastructure, etc | Improving |
| R2 | 92 % of PPP RSAs hold no contributions | Accredited Pension Agent framework; bi-monthly contingent withdrawal feature; FX-denominated PPP option | New focus |
| R3 | FGN securities at 59.50 % of total NAV | Phased increase in alternatives, REITs, and infrastructure within prudential limits | Watch |

| | | | |
|---|---|---|---|
| **R4** | Macro volatility — inflation, FX, oil receipts | Stress testing; portfolio rebalancing; macro scenario analysis embedded in supervisory cycle | **Stable** |
| **R5** | Subnational CPS adoption — only 8 fully compliant of 37; 17 with law not yet implementing; Kano funds outside PFAs | States Consultative Forum; PCRS rollout; targeted bilateral engagement; Subnational CPS Adoption Index | **Stalled** |
| **R6** | Concentration: top 5 PFAs hold 62.11 % of new RSAs | Market discipline through published PFA performance review and conduct scorecard | **Stable** |
| **R7** | Only 16.36 % of legacy RSAs recaptured | Digital recapture push; PFA-level targets; compliance sanctions for laggards | **Improving** |
| **R8** | Reliance on 41 Recovery Agents for compliance enforcement | Build in-house enforcement capacity; data-driven employer monitoring | **Stable** |
| **R9** | PFA cyber and operational resilience | PFO operational risk reviews; ICT supervisory framework | **Watch** |

### Further Insight

Three of the top four risks (R1, R2, R5) are coverage and adequacy risks rather than conduct or solvency risks. The implication is clear: the binding constraints on the system are no longer prudential, they are about whether members are saving enough and earning enough on what they have saved. Supervisory attention and reform energy should be calibrated accordingly.

# Domain A — System Stability and Solvency

**PROTECTING THE SYSTEM**

The pension system must be financially sound, well diversified, and resilient to economic shocks if it is to deliver on its promise to members across the long horizon.

## A.1 Industry assets reached ₦27.45 trillion

Total Net Asset Value of pension fund assets rose from ₦26.09 trillion at the end of Q3 2025 to ₦27.45 trillion at the end of Q4 2025. An increase of ₦1.36 trillion or 5.22 %. Growth was driven principally by equity revaluation gains and continued contribution inflows.

| Component | Q3 2025 (₦ trillion) | Q4 2025 (₦ trillion) | Change | Share of NAV |
|---|---|---|---|---|
| RSA Active Funds (I, II, III, V, VI Active) | 18.27 | 19.20 | +5.04% | 69.94% |
| RSA Retiree Funds (IV, VI Retiree) | 1.97 | 2.27 | +15.23% | 8.27% |
| Closed Pension Fund Administrators (CPFA) | 2.71 | 2.70 | −0.28% | 9.84% |
| Approved Existing Schemes (AES) | 3.14 | 3.28 | +4.64% | 11.95% |
| **TOTAL** | **26.09** | **27.45** | **+5.22%** | **100.00%** |

**Further Insight**

RSA Funds together represent 78.21 % of the industry. The Retiree Fund grew fastest in the quarter (+15.23 %), reflecting both new retirees transitioning into the fund (₦857.75 billion in transfers from Active funds) and contribution catch-up payments. CPFA assets contracted modestly on foreign exchange revaluation, illustrating sensitivity to currency moves.

## A.2 Asset allocation — diversification remains the open question

| Asset class | Share (%) | Comment |
|---|---|---|
| **Federal Government Securities (total)** | 59.50 | FGN Bonds 56.33%; Treasury Bills 2.77%; Agency, Sukuk, Green 0.40% |
| **Domestic and foreign equities** | **15.37** | ₦3.96 trillion in domestic equities (+8.05% in quarter) |

| | | |
|---|---|---|
| **Money market instruments** | **9.80** | Liquidity buffer; supports benefit payments |
| **Corporate debt securities** | **8.02** | Selective high-grade corporate exposure |
| **Alternative assets and real estate** | **3.36** | Infrastructure funds, private equity, REITs, mutual funds — area for growth |
| **State Government securities** | **1.35** | Lagos bond inclusion advancing |
| **Other assets and cash** | **2.60** | Residual liquidity |

**Further Insight**

Concentration in FGN securities at 59.50 % provides capital preservation but caps the system's ability to deliver inflation-beating returns over the long horizon. The 3.36 % allocation to alternatives is the principal lever for diversification under the revised investment guidelines being implemented **in 2026**.

### A.3 Industry concentration — top operators

RSA Fund II remains the structural anchor of the system, accounting for 53.62 % of all RSA Active Funds; Fund III holds 32.69 %. This concentration reflects Fund II's role as the default for contributors who do not actively select a fund.

The top five PFAs accounted for 62.11 % of new RSA registrations in Q4 2025, while two PFAs alone accounted for 39.71 %. Concentration is not in itself a stability risk, but it raises questions of competitive intensity and market discipline that warrant inclusion in routine PFO supervision.

**Further Insight**

Two structural questions arise from the concentration data: whether competitive intensity is sufficient to drive innovation in the lower tier, and whether default-fund concentration in Fund II is producing risk-appropriate outcomes for younger contributors who would benefit from higher-risk allocations. Both belong on the 2026 supervisory work plan.

# Domain B — Member Coverage and Inclusion

**REACHING EVERY NIGERIAN**

Pension reform succeeds only when it reaches the right Nigerians in the right numbers, across both the formal economy and the much larger informal sector.

## B.1 Formal CPS membership crossed 11 million

Cumulative RSA registrations rose from 10,928,039 at the end of Q3 2025 to 11,042,903 at the end of Q4 2025, with 114,864 new accounts opened during the quarter. Active membership now corresponds to approximately **12 %** of Nigeria's estimated 92 million labour force, leaving substantial headroom for growth, particularly in the informal sector.

### Demographic composition is favourable

| Cohort | New RSAs Q4 | Share | Implication |
|---|---|---|---|
| **Under 30 years** | 44,837 | **39.03%** | Strong long-horizon contributor base |
| **30 to 39 years** | 40,284 | **35.07%** | Peak earning years; high contribution potential |
| **40 to 49 years** | 22,182 | **19.31%** | Mid-career; steady contribution profile |
| **50 years and above** | 7,561 | **6.58%** | Limited remaining accumulation horizon |

On gender, female registrations accounted for 40.30 % of the Q4 cohort and male registrations for 59.70 %. This is an indication of steady narrowing of the gender gap consistent with rising female workforce participation.

**Further Insight**

74.10 % of new RSAs were opened by Nigerians under 40 years old. This is the system's most important long-term asset: a young, expanding contributor base whose retirement horizon extends beyond 2050. Investment policy should be calibrated to this reality. Long horizons justify, and require, more risk-bearing capacity than the current allocation reflects.

## B.2 The Personal Pension Plan — registrations are not savings

The Personal Pension Plan now has 215,412 registered RSAs across 20 PFAs. Only 17,320 of these (8.0 %) have received any contribution. The remaining 198,092 RSAs are dormant. Quarterly PPP contributions totalled ₦103.30 million across all participants, against cumulative inflows since inception of ₦1.51 billion.

| Operator | Cumulative PPP RSAs | Funded ratio | Read |
|---|---|---|---|
| **AccessARM Pensions** | Dominant — 52.53% of all PPP | **Very Low (1.82%)** | Volume leader; conversion gap remains the issue |
| **Stanbic IBTC Pension Managers** | 16.91% share | **Low (8.22%)** | Strong scale; underleveraged distribution |
| **Fidelity Pension Managers** | 1,918 RSAs | **87%** | Best-in-class conversion ratio |
| **Guarantee Trust Pensions** | 2,097 RSAs | **52%** | Above-average funding behaviour |
| **FCMB Pensions** | 12,964 RSAs | **30%** | Above-average funding behaviour |
| **Veritas Glanvills** | 4,268 RSAs | **29%** | Above-average funding behaviour |
| **Industry average** | **215,412 total** | **8% funded** | Inclusion measured in registrations, not savings |

Some movement was recorded in the quarter: 19 PPCs received ₦11.37 million in contingent withdrawals, and 339 PPCs converted from PPP to mandatory CPS following formal employment, transferring ₦743,311.28 into the CPS fund. Cumulative conversions stand at ₦169.29 million for 2,180 contributors since inception.

**Further Insight**

Two findings reframe the inclusion strategy. First, Fidelity's 87 % funding ratio demonstrates that high conversion is achievable. The binding constraint is operator design, not informal-sector behaviour. Second, the gap between AccessARM's volume leadership and its low funded ratio shows that registration without funding is creating a misleading picture of inclusion. Q1 2026 should set published funding-conversion targets at PFO level.

### B.3 Subnational CPS adoption — the picture is more uneven than the Bureau count suggests

Adoption of the Contributory Pension Scheme by State Governments remained stalled in Q4 2025. The position is more uneven than a simple Bureau count conveys. Only eight States are fully compliant with the CPS. A further seventeen States have passed pension reform legislation but have not yet moved to implementation; a population that should now be the principal focus of bilateral compliance engagement. Jigawa State runs a fully implemented Contributory Defined Benefits Scheme. Kano State, despite progress on enabling legislation, is operating outside the regulatory architecture: its pension funds are still held with commercial banks rather than being placed under licensed Pension Fund Administrators.

| Adoption status | Count | Status | Notes and examples |
|---|---|---|---|
| **Fully compliant — operating CPS** | 8 | GREEN | Includes Lagos, Kaduna, Edo. Lagos bond inclusion advancing; Kaduna reports ₦11 billion settled, ₦14 billion outstanding. |
| **Law passed; implementation not yet commenced** | 17 | AMBER | Principal focus for bilateral compliance engagement in 2026. Includes states that need PCRS rollout, Bureau establishment, and PFA appointment. |
| **Active CDBS implementation** | 1 | AMBER | Jigawa State runs a fully implemented Contributory Defined Benefits Scheme. |
| **Non-compliant arrangement** | 1 | RED | Kano State — pension funds held with commercial banks rather than licensed PFAs; full CPS compliance outstanding. |
| **Other jurisdictions (early stage / various)** | 10 | AMBER | Includes Cross River (Bill returned for stakeholder review), Bayelsa (108 MDA codes generated; preparing), Delta (₦10 billion intervention fund disbursing), Katsina (transitioning from CDBS to CPS). |

Notable Q4 engagements included His Excellency Senator Uba Sani's courtesy visit on 19 December 2025, at which Kaduna State reported regular pension payments, ₦11 billion already settled, and an outstanding liability of approximately ₦14 billion projected to be liquidated within two years. The State Consultative Forum convened in Edo State (19–20 November 2025) drew 91 participants from State and Local Government Bureaux, PFAs, and Custodians.

### Further Insight

The seventeen States that have passed legislation but have not yet implemented the CPS are the most actionable subnational segment. They are not a legal obstacle, the law exists. What is missing is operational follow-through. A targeted programme of bilateral compliance engagement, anchored on the PCRS rollout and accompanied by the planned Subnational CPS Adoption Index, can convert legislation into live coverage. The Kano position requires separate, dedicated regulatory engagement to bring funds under licensed PFAs.

### B.4 RSA transfers and data recapture

The Third RSA Transfer Quarter closed in early October 2025, executing 34,334 transfer requests worth ₦274.29 billion in associated assets. The Fourth Transfer Quarter has so far received 19,969 requests, including 10,888 lodged in September; these will be executed in the second week of January 2026.

On data recapture, 45,706 RSAs were recaptured in Q4, bringing the cumulative total since inception to 1,426,832 which is equivalent to 16.36 % of the industry's 8,722,609 legacy clients. The top five PFAs accounted for 74.42 % of Q4 recaptures, with Stanbic IBTC alone responsible for 36.45 %.

**Further Insight**

At the current run-rate, full completion of the legacy recapture exercise would extend beyond thirty quarters. There is therefore a need to strengthen execution by adopting a more structured, time-bound approach, supported by quarterly targets, enhanced progress reporting, and appropriate accountability measures for significant under-performance.

# Domain C — Retiree Welfare and Adequacy

**DELIVERING THE PROMISE**

The ultimate test of the pension system is whether retirees and beneficiaries receive adequate, timely, and dignified payments every month, without exception.

## C.1 Benefit administration at a glance

Almost 22,000 retirees and beneficiaries had benefits approved during Q4 2025, drawing on a total of approximately ₦155 billion in lump sums and disbursements. The composition of approvals is summarised below.

| Benefit type | Approvals | Amount (₦'billion) | Public share (%) | Comment |
|---|---|---|---|---|
| **Programmed Withdrawal** | 9,398 | 50.04 - lump sum; 1.04 - monthly | 73.44 | Federal retirees dominant |
| **Retiree Life Annuity** | 4,584 | 23.36 - lump sum; 58.07 - premium; 0.97 - monthly | 77.89 | Sustained confidence in annuity model |
| **Death Benefits** | 2,141 | 21.53 | 72.40 | Demonstrates protection function |
| **En bloc payments** | 7,927 | 10.65 | 15.86 | Below-threshold RSAs; private sector dominant |
| **25% withdrawal (unemployment)** | 8,082 | 12.11 | 4.03 | 96% private sector — labour-market signal |
| **Mortgage equity contribution** | 7,399 | 28.27 | 71.34 | Section 89(2) benefit growing |
| **Voluntary contribution access** | 1,359 | 8.52 | 7.46 | Private sector–led, financial flexibility |
| **Pre-Act / NSITF settlement** | 44 | 0.49 | 0.00 | Legacy obligation closure |

**Further Insight**

Two patterns deserve supervisory attention. First, en-bloc payments at 7,927 cases (84 % private sector) point to a persistent population whose RSA balances cannot fund a meaningful pension. The underlying issue is contribution adequacy, not benefit design. Second, 25 % unemployment withdrawals at 8,082 cases (96 % private sector) provide a real-time labour-market signal that should be cross-referenced with NBS unemployment data.

## C.2 Accrued rights — closing legacy obligations

The Federal Government continued to honour its accrued-rights obligations for service rendered before the Contributory Pension Scheme commenced in 2004. ₦30.06 billion was paid in Q4 2025 to 8,770 active retirees and deceased employees, remitted by the Central Bank of Nigeria into beneficiaries' RSAs alongside their accumulated contributions.

**Further Insight**

Accrued rights settlements are the most visible signal of Federal commitment to the pension reform. Sustaining the appropriation in successive budgets and broadening the framework to cover State-level legacy claims would be the single most impactful policy lever for retiree welfare in 2026.

## C.3 Defined Benefits Scheme — PTAD

The Pension Transitional Arrangement Directorate (PTAD) administers pensions for retirees from the pre-CPS Defined Benefits Scheme. PTAD's statutory returns for October, November, and December 2025 reported ₦40.17 billion utilised for pension payments to approximately 169,238 pensioners during the quarter. Three DBS complaints were received and fully resolved within the quarter.

## C.4 NSITF legacy administration

| Activity | Q4 2025 | Beneficiaries | Cumulative amount since inception |
|---|---|---|---|
| **NSITF transfers approved (Trustfund)** | ₦2.38 million | 47 contributors | ₦10.25 billion |
| **NSITF benefit payments** | ₦65,472.89 | 2 contributors | ₦13.90 billion |
| **NSITF monthly pensions disbursed** | ₦37.68 million | 2,116 pensioners | ₦5.79 billion since 2006 |
| **Federal Government remittances (FGN MDAs)** | ₦1.60 billion | 6,818 employees | ₦1.46 trillion for 3,012,222 employees |

### Further Insight

Legacy schemes — NSITF, pre-Act, and PTAD, administered DBS. Together, they represent a significant administrative load that does not generate new pension assets. Continued operational discipline keeps these obligations in good standing while the contributory architecture matures.

# Domain D — Compliance and Governance

**PROTECTING TRUST**

Operator and employer compliance is the foundation of trust in the Contributory Pension Scheme; effective enforcement protects every contributor's retirement.

## D.1 Compliance enforcement is delivering

| Enforcement metric | Q4 2025 | Cumulative |
|---|---|---|
| **e-PCCs issued to compliant employers** | 4,560 | 208,886 |
| **Contributions remitted under e-PCC issuance** | ₦23.62 billion for 61,891 employees | ₦184.28 billion |
| **Recoveries from defaulting employers** | ₦387.79 million (16 employers) | ₦32.75 billion since June 2012 |
| • Principal contributions recovered | ₦279.23 million | ₦16.12 billion |
| • Penalties recovered | ₦108.56 million | ₦16.63 billion |
| **Active Recovery Agents engaged** | 41 | — |

**Further Insight**

Cumulative recoveries of ₦32.75 billion demonstrate the efficacy of the recovery framework but the dependency on 41 external Recovery Agents is itself a structural risk. Q1 2026 should map the build-up of in-house data-driven employer monitoring capacity, allowing more risk-targeted enforcement and reducing variable cost-to-recovery.

## D.2 Surveillance of Licensed Pension Fund Operators

As at end-Q3 2025, the Commission had completed routine on-site examinations of 26 out of the 27 Licensed Pension Fund Operators (PFOs). The remaining operator, Parthian Pensions Limited, is scheduled to become eligible for routine examination in 2026.

In Q4 2025, the Commission also reviewed and approved 13 executive appointments across nine PFOs, following comprehensive fit-and-proper assessments conducted in line with the provisions of the Pension Reform Act (PRA) 2014.

### Regulatory instruments issued in Q4

- Guideline for verification and enrolment of prospective retirees of FGN treasury-funded MDAs.
- Addendum to the Circular on revised minimum capital requirement for licensed PFAs and PFCs.
- Joint Circular with the National Insurance Commission (NAICOM) on compliance with the Pension Reform Act 2014 by licensed insurance companies and their service providers.

### D.3 PCRS rollout and digital compliance

The Pension Contribution Remittance System (PCRS) is the Commission's electronic platform for automating employer contribution remittances. An implementation workshop held from 15 to 17 July 2025, facilitated by three (3) of the nine (9) approved Payment Solution Service Providers, showcased the system to representatives of the States and the FCT. The PCRS replaces manual schedule submissions with online uploads through approved PSSPs. Q4 zonal-office activity covered 37 sensitisation sessions, reaching 762 participants and reflecting a sustained grassroots engagement effort that complements the digital compliance push.

> **Further Insight**
>
> Compliance is now being driven through three complementary pillars: enforcement through recoveries, digitisation through the e-PCC and PCRS platforms, and stakeholder engagement through zonal sessions.

### D.4 Stakeholder engagement

- PenCom/PenOp Consultative Forum, Lagos, 4 December 2025 — covering circulars, frameworks, uncredited contributions, employee enrolment adoption, the PIN Validation Interface, PSSPs, and the PENCAP data recapture exercise.
- Maiden Round Table Discussion with the Nigeria Labour Congress, Abuja, 30 October 2025 leveraging the NLC platform to advocate for full CPS implementation across public, private, and State sectors.
- State Consultative Forum, Benin City, 19–20 November 2025 with 91 participants; communique adopted; CPS Implementation Clinic delivered.

# Domain E — Investment Performance and Diversification

**PRESERVING PURCHASING POWER**

Pension assets must generate real returns and be channelled to productive use if they are to preserve member purchasing power and contribute to national development.

## E.1 Headline performance

Investment returns in Q4 2025 were moderately positive in nominal terms but negative in real terms once headline inflation of 17.4 % is applied. Equity-led valuation gains drove the bulk of the asset growth in the quarter; bond yields softened by 75 to 120 basis points across medium and long tenors, supporting fixed-income valuations.

| Indicator | Q3 2025 | Q4 2025 | Read |
|---|---|---|---|
| **NSE Pension Broad Index (NSE-PI)** | +15.96% | +5.85% | Positive but decelerating |
| **NGX All-Share Index (Q4 quarterly)** | +18.95 | +14.72% | Full-year gain >45% |
| **FGN bond yields (medium-to-long tenor)** | Approximately -190bps | -75 to -120 bps | Capital gains for holders |
| **RSA Active fund growth** | +6.46% | +5.04% | ₦18.27 trillion → ₦19.20 trillion |
| **Domestic equity AUM** | ₦3.66 trillion | ₦3.96 trillion | +₦294.63 billion (+8.05%) |
| **FGN securities AUM** | ₦15.75 trillion | ₦16.33 trillion | +₦588.19 billion (+3.74%) |
| **AES quarterly rate of return** | 5.93% | 4.21% | Decelerating |
| **CPFA quarterly rate of return (range)** | 1.16% to 4.33% | -1.65% to +4.23% | FX-translation drag |
| **36-month real return — all RSA Funds** | Below CPI | **Below CPI (improving)** | Trajectory positive; gap to be closed |

**Further Insight**

Nominal returns are healthy and the real-return trajectory is now improving. Closing the gap to inflation is the open task. With the revised investment guidelines in force, the immediate priority is for PFAs to recalibrate their investment strategies, including broader use of alternatives, infrastructure, and other eligible instruments, to convert this improving trajectory into positive real returns for members.

## E.2 Sources of portfolio growth — RSA Active and Retiree Funds

| Driver | Q4 2025 | Comment |
|---|---|---|
| **Monthly contributions — RSA Active** | **₦1.09** trillion **(+10.41%)** | Q3 was ₦998.86 billion |
| **Contributions — RSA Retiree Fund** | **₦604.86 billion (+148.61%)** | Q3 was ₦243.30 billion; reflects public-sector catch-up |
| **Investment performance — Active and Retiree** | **Positive net of unrealised and realised gains** | Equity revaluation principal driver |
| **Transfers from Active to Retiree** | **₦857.75** billion | New retirees moving into Retiree Funds |
| **Benefits paid from Retiree Funds** | **₦381.10** billion | Stable run-rate |

## E.3 CPFA portfolio — sensitivity to currency moves

CPFA assets contracted marginally by 0.28 % (₦7.51 billion) to ₦2.70 trillion. Investment income from interest and dividends rose by ₦41.36 billion, but this was outweighed by net unrealised losses of ₦34.21 billion. The principal swing factor was foreign exchange, with a translation loss of ₦41.92 billion reflecting the Naira's 2.68 % appreciation in the quarter, against a much smaller Q3 loss of ₦1.15 billion. Bond valuations also reversed, from a Q3 gain of ₦61.38 billion to a marginal Q4 loss of ₦0.17 billion.

### Further Insight

The CPFA quarter highlights the extent to which portfolio performance can be influenced by foreign exchange movements, even where underlying asset composition remains unchanged. As pension fund diversification into alternative assets and broader market exposures continues across the industry, there is a growing need to strengthen risk management practices, enhance portfolio resilience assessments, and ensure prudent oversight of currency and market-related exposures.

## E.4 AES portfolio

Approved Existing Schemes assets grew by ₦145.75 billion (4.64 %) to ₦3.28 trillion. The quarterly rate of return moderated to 4.21 % (from 5.93 % in Q3), driven mainly by lower appreciation in bond and equity prices in PFA portfolios. AES assets remain a stable secondary segment of the industry.

## Operating Environment

Macroeconomic and capital market conditions in Q4 2025 were broadly supportive for pension fund performance. Inflation moderated to 17.4 %, the Monetary Policy Rate was held at 27.00 %, the Naira appreciated, and equities rallied. The summary below frames each indicator in terms of its implication for pension assets.

| Indicator | Q4 2025 reading | Implication for pension industry |
|---|---|---|
| **Real GDP growth (Y-o-Y)** | **+4.11%** | Supportive backdrop for contribution flows |
| **Headline inflation (Dec)** | **17.4%** | Real-return target for any allocation; binding constraint |
| **Monetary Policy Rate** | **27.00% (held)** | Supports fixed-income carry; may compress equity multiples if held long |
| **Naira (Q4 move)** | **+2.68% appreciation** | Translation loss for FX-exposed CPFA portfolios |
| **NGX All-Share Index** | **+14.72% Q4; +45% YTD** | Drove most of the equity revaluation gains |
| **FGN bond yields** | **−75 to −120 bps** | Capital gains for existing fixed-income holdings |

*Sources: NBS, CBN, NGX, FMDQ, IMF, World Bank.*

### Further Insight

The macro backdrop is currently doing the heavy lifting on pension asset growth. Should equity gains reverse or inflation re-accelerate, the underlying pace of contribution inflows is the bedrock that needs to remain healthy. Real-return discipline must be embedded into investment strategy now, while conditions are favourable, not in response to the next shock.

# Forward-Looking Indicators and Outlook for Q1 2026

## Forward-Looking Indicators Panel

These leading indicators are intended to move before headline KPIs do. Each carries an explicit trigger threshold; a breach automatically escalates the issue to EXCO.

| Leading indicator | What it predicts | Q4 2025 reading | Trigger threshold |
|---|---|---|---|
| **Net contribution-to-benefit ratio** | System maturity / cash-flow stress | Contributions ₦903.7 billion vs benefits ~₦155 billion | Alert if below 3:1 |
| **FGN securities yield gap to inflation** | Real-return outlook | Negative across mid-tenor | Alert if persistent for 3 quarters |
| **Top-5 PFA share of new RSAs** | Market structure risk | 62.11% | Alert if rising 2 quarters consecutively |
| **PPP contribution-conversion rate** | Inclusion strategy effectiveness | 8% (currently funded) | Target ≥30% by Q4 2026 |
| **Subnational compliance count** | National coverage trajectory | 8 of 37 fully compliant; 17 with law not yet implementing | Alert if no movement for 2 quarters |
| **Recovery-to-arrears ratio** | Compliance enforcement effectiveness | ₦387.79 m vs estimated arrears stock | Alert if below 70% over rolling year |
| **Data recapture run-rate** | Industry data integrity | 16.36% cumulative; 45,706 in Q4 | Alert if Q4-on-Q4 growth <10% |

# Outlook for Q1 2026

Macroeconomic conditions in Q1 2026 are expected to remain cautiously stable. Inflation is projected to moderate gradually, supported by improving food supply and disciplined monetary policy. Foreign exchange conditions are expected to remain steady on improved liquidity, higher crude oil receipts, and strong diaspora inflows. Growth is projected to remain positive but moderate, led by non-oil services and agriculture. The Central Bank is likely to maintain a cautious stance, balancing inflation control against growth and financial stability.

### Implications for the pension industry

- Moderating inflation and stable FX should improve real returns on fixed-income holdings; the gap to be closed remains material.

- The revised investment guidelines under PR 2.0 are expected to take effect in stages, supporting diversification into alternatives, real assets, and inflation-linked instruments.
- Continued public-sector wage adjustments and stronger compliance monitoring should sustain contribution inflows.
- Accelerated rollout of the Personal Pension Plan, supported by Accredited Pension Agents and digital and diaspora channels, should improve the funded ratio if conversion targets are set and tracked.
- Digital transformation in RSA recapture, benefit processing, and online compliance should compound efficiency gains.

**Further Insight**

Q1 2026 should be characterised as a window of opportunity, not a moment of comfort. The macro backdrop is supportive; the binding constraints (real returns, PPP funding, subnational coverage) are reform constraints. Acceleration on the policy side is what will translate the favourable environment into durable member outcomes.

## Strategic Priorities for Q1 2026

Priorities are aligned with the four pillars of Pension Revolution 2.0 and respond directly to the risks and findings highlighted in this report.

### Pillar 1 — Retiree welfare and dignity

- Sustain ongoing preparatory work towards the implementation of the Minimum Pension Guarantee (MPG) for eligible retirees.
- Launch affordable health insurance for low-income retirees and contributors. Develop a dedicated, low-cost health-insurance scheme anchored on partnerships with Health Maintenance Organisations and the National Health Insurance Authority to extend healthcare protection to retirees and contributors at the lower end of the income distribution, where pensions alone are insufficient to absorb out-of-pocket healthcare shocks.
- Pilot broader retiree health-insurance coverage in collaboration with Health Maintenance Organisations.
- Continuous up to date benefit payment
- Enhance retiree engagement platforms, including digital self-service portals, grievance redress, service-quality monitoring.

### Pillar 2 — Financial inclusion through PPP

- Scale up nationwide deployment of the Personal Pension Plan, prioritising informal-sector workers, MSMEs, gig workers, and self-employed professionals.
- Drive engagement, adoption, and onboarding through the Accredited Pension Agent (APA) framework. Activate accredited agents at scale, build community-level distribution networks, and deepen partnerships with cooperatives, fintechs, telecommunications operators, trade unions, and professional associations to bring informal sector Nigerians into the pension system.
- Promote PPP product features: bi-monthly contingent withdrawals, child registration, and FX-denominated contributions for diaspora.
- Establish published quarterly funding-conversion targets at PFO level.

### Pillar 3 — Governance, compliance, and digital regulation

- Implement revised corporate governance frameworks, including tenure limits, board committee functionality, and PenCap compliance.
- Roll out online PCC applications, automated benefit-processing workflows, and risk-based supervisory analytics.

- Strengthen enforcement against defaulting employers, MDAs, and private operators through inspection, surveillance, and sanctions.
- Convene States Compliance Roundtable in Q1 2026, anchored on the PCRS rollout and the planned Subnational CPS Adoption Index.

### Pillar 4 — Investment optimisation and pension-led economic development

- Continue the phased implementation of the revised investment guidelines, with ongoing prioritisation of alternative assets, inflation and currency hedges, and enhanced portfolio diversification.
- Increase pension fund participation in infrastructure financing, alternatives, and strategic national development projects.

# Statistical Annex

This annex collates the principal statistical tables underlying the report. It is intended for reference; readers seeking deeper time-series data should consult the machine-readable Industry Statistical Annex (Tier 3) issued alongside this report.

## Annex Table 1 — Industry Pension Assets by Fund Type

*As at 30 September 2025 and 31 December 2025 (₦ trillion)*

| Fund type | 30-Sep-2025 | 31-Dec-2025 | Δ (₦ trillion) | % Change |
|---|---|---|---|---|
| **RSA Active Funds** | 18.27 | 19.20 | +0.93 | +5.04 |
| **RSA Retiree Funds** | 1.97 | 2.27 | +0.30 | +15.23 |
| **CPFA** | 2.71 | 2.70 | −0.01 | −0.28 |
| **AES** | 3.14 | 3.28 | +0.15 | +4.64 |
| **TOTAL** | **26.09** | **27.45** | **+1.36** | **+5.22** |

## Annex Table 2 — RSA Registrations by PFA, Q4 2025

*Top operators by quarterly new RSA registrations*

| PFA | New RSAs Q4 | Share (%) | Cumulative tier |
|---|---|---|---|
| Stanbic IBTC Pension Managers | 24,013 | 20.91 | Top tier |
| AccessARM Pensions | 21,589 | 18.80 | Top tier |
| Trustfund Pensions | 9,189 | 8.00 | Mid tier |
| Leadway Pensure | 8,816 | 7.68 | Mid tier |
| Premium Pension | 7,721 | 6.72 | Mid tier |
| FCMB Pensions | 6,405 | 5.58 | Mid tier |
| Crusader Sterling Pensions | 5,275 | 4.59 | Mid tier |
| Oak Pensions | 4,217 | 3.67 | Lower tier |
| TangerineAPT Pensions | 3,984 | 3.47 | Lower tier |
| Veritas Glanvills Pensions Limited | 3,629 | 3.16 | Lower tier |

| | | | |
|---|---|---|---|
| GT Pension Managers Limited | 3,494 | 3.04 | Lower tier |
| NLPC Pension Fund Administrators Limited | 2,943 | 2.56 | Lower tier |
| Nigerian University Pension Management Company Limited | 2,759 | 2.40 | Lower tier |
| Citizens Pensions Limited | 2,711 | 2.36 | Lower tier |
| Pensions Alliance Limited | 2,297 | 2.00 | Lower tier |
| Fidelity Pension Managers Limited | 2,186 | 1.90 | Lower tier |
| CardinalStone Pensions Managers Limited | 1,767 | 1.54 | Lower tier |
| Norrenberger Pensions | 1,147 | 1.00 | Lower tier |
| Parthian Pensions | 401 | 0.35 | Lower tier |
| NPF Pensions | 321 | 0.28 | Lower tier |
| **TOTAL — Industry** | **114,864** | **100.00%** | 20 PFAs |

## Annex Table 3 — Benefit Approvals Summary, Q4 2025

| Benefit type | Approvals | Amount (₦'billion) | Federal | Private |
|---|---|---|---|---|
| **Programmed Withdrawal** | 9,398 | 50.04 - lump | 6,851 | 2,497 |
| **Retiree Life Annuity** | 4,584 | 23.36 - lump;<br>58.07 premium | 3,378 | 1,014 |
| **Death Benefits** | 2,141 | 21.53 | 1,431 | 591 |
| **En bloc payments** | 7,927 | 10.65 | 1,143 | 6,670 |
| **25% withdrawal — unemployment** | 8,082 | 12.11 | 314 | 7,756 |
| **Mortgage equity (Sec 89(2))** | 7,399 | 28.27 | 5,255 | 2,120 |
| **Voluntary contribution access** | 1,359 | 8.52 | 99 | 1,258 |
| **Pre-Act / NSITF settlement** | 44 | 0.49 | 0 | 44 |

## Annex Table 4 — Compliance Activities Summary, Q4 2025

| Activity | Q4 2025 metric |
|---|---|
| **e-PCCs issued** | 4,560 |
| **Contributions remitted under e-PCCs** | ₦23.62 billion for 61,891 employees |
| **Recoveries — total (16 employers)** | ₦387.79 million |
| **Recoveries — principal** | ₦279.23 million |
| **Recoveries — penalties** | ₦108.56 million |
| **Cumulative recoveries since June 2012** | ₦32.75 billion (₦16.12 billion principal + ₦16.63 billion penalties) |
| **Recovery Agents engaged** | 41 |
| **Pension Clearance Certificates — turnaround** | Tracked via e-PCC platform |
| **Zonal sensitisation sessions** | 37 events with 762 participants |
| **LPFOs examined (cumulative through Q3)** | 26 of 27 |
| **New executive appointments approved** | 13 across 9 PFOs |

## Annex Table 5 — Subnational Implementation Status, Q4 2025

| Adoption category | Count | Notes |
|---|---|---|
| **States fully compliant — operating CPS** | **8** | Includes Lagos, Kaduna, Edo. Lagos bond inclusion advancing; Kaduna ₦11 billion settled with ₦14 billion outstanding liability |
| **States with CPS law passed but not yet implementing** | **17** | Principal focus for bilateral compliance engagement; PCRS rollout, Bureau establishment, and PFA appointment outstanding |
| **Active CDBS implementation** | **1** | Jigawa State — fully implemented Contributory Defined Benefits Scheme |
| **Non-compliant arrangement** | **1** | Kano State — pension funds held with commercial banks rather than licensed PFAs |

| | | |
|---|---|---|
| **Other jurisdictions (early stage / transitioning)** | **10** | Cross River (Bill returned for stakeholder review); Bayelsa (codes generated for 108 MDAs); Delta (₦10 billion intervention fund); Katsina (transitioning from CDBS to CPS) |
| **TOTAL** | **37** | 36 States and the Federal Capital Territory |

## Annex Table 6 — Personal Pension Plan Headlines, Q4 2025

| Metric | Value |
|---|---|
| **Total registered PPP RSAs** | 215,412 |
| **Funded RSAs** | 17,320 (8.0%) |
| **Unfunded RSAs** | 198,092 (92.0%) |
| **Q4 2025 contributions received** | ₦103.30 million |
| **Cumulative contributions since inception** | ₦1.51 billion |
| **Q4 contingent withdrawals** | ₦11.37 million by 19 PPCs through 5 PFAs |
| **Cumulative contingent withdrawals** | ₦113.18 million to 331 PPCs |
| **Q4 conversions to mandatory CPS** | 339 contributors; ₦743,311.28 |
| **Cumulative conversions since inception** | ₦169.29 million for 2,180 contributors |
| **AccessARM market share — Q4 PPP** | 66.06% of new PPP RSAs |
| **AccessARM market share — cumulative** | 52.53% of all PPP RSAs |
| **Estimated informal sector workforce (NBS)** | ₦92.1 million |
| **PPP penetration of informal sector** | ≈ 0.23% |

## Annex Table 7 — Pension Industry Asset Allocation, 31 December 2025

| Asset class | Share of NAV (%) | Comment |
|---|---|---|
| **FGN Bonds** | **56.33** | Core long-duration capital preservation |
| **FGN Treasury Bills** | **2.77** | Liquidity and short-end carry |
| **FGN Agency Bonds, Sukuk, Green Bonds** | **0.40** | Limited footprint; growth opportunity |

| | | |
|---|---|---|
| **Domestic and foreign equities** | **15.37** | Includes ₦3.96 trillion domestic equities |
| **Money market instruments** | **9.80** | Liquidity buffer |
| **Corporate debt securities** | **8.02** | High-grade corporate exposure |
| **State Government securities** | **1.35** | Lagos bond inclusion advancing |
| **Alternatives (infrastructure, PE, REITs, mutual funds)** | **3.36** | Principal diversification target |
| **Other / cash** | **2.60** | Residual |
| **TOTAL** | **100.00** | Total NAV ₦27.45 trillion |

*This report draws on validated data from the Commission's regulatory systems, supplemented by macroeconomic and capital market data from the Central Bank of Nigeria, the National Bureau of Statistics, the Nigerian Exchange Group, FMDQ, the IMF, and the World Bank. Editorial standards conform to the PenCom Reporting Transformation Framework (Tier 2 — Strategic Quarterly Industry Report).*