FINANCIAL STABILITY REPORT

JUNE 2025

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LIST OF ACRONYMS

Acronym	Description
AACB	Association of African Central Banks
ACGS	Agricultural Credit Guarantee Scheme
AEs	Advanced Economies
AMCON	Asset Management Corporation of Nigeria
AML/CFT/CPF	Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing
ASI	All Share Index
AuM	Assets under Management
BCBS	Basel Committee on Banking Supervision
BDCs	Bureaux de Change
BOA	Bank of Agriculture
BOI	Bank of Industry
BRICS	Brazil, Russia, India, China, and South Africa
BVN	Bank Verification Number
CABS	Community of African Banking Supervisors
CACS	Commercial Agriculture Credit Scheme
CAR	Capital Adequacy Ratio
CBDC	Central Bank Digital Currency
CBN	Central Bank of Nigeria
CCP	Central Counterparties
CIBN	Chartered Institute of Bankers of Nigeria
CIC	Currency in Circulation
CIS	Collective Investment Scheme
CMNBs	Commercial, Merchant and Non-interest Banks
CMOs	Capital Market Operators
COB	Currency Outside Banks
CODC	Currency Outside Depository Corporations
CPI	Consumer Price Index

Acronym	Description
CPS	Contributory Pension Scheme
CRMS	Credit Risk Management System
CRR	Cash Reserve Requirement
CSE	Crisis Simulation Exercise
CSWAMZ	College of Supervisors of the West African Monetary Zone
DAX	Deutscher Aktienindex (German stock index of 30 major German companies)
DCs	Depository Corporations
DFIs	Development Finance Institutions
DIF	Deposit Insurance Fund
D-SIBs	Domestic Systemically Important Banks
DVP	Delivery Versus Payment
EBAs	Eligible Bank Assets
ECB	European Central Bank
EGX CASE 30	Egypt Stock Exchange (Cairo and Alexandria Stock Exchange) 30 Stock Index
EMDEs	Emerging Markets and Developing Economies
ESG	Environmental, Social & Governance
ETF	Exchange Traded Funds
EVD	Ebola Virus Disease
FAO	Food and Agriculture Organisation
FATF	Financial Action Task Force
FCs	Finance Companies
FGN	Federal Government of Nigeria
FMBN	Federal Mortgage Bank of Nigeria
FPI	Foreign Portfolio Investment
FRACE	Financial Regulation Advisory Council of Experts
FSIs	Financial Soundness Indicators
FSR	Financial Stability Report

Acronym	Description
FSRCC	Financial Services Regulation Co-ordinating Committee
GCMX	Gezawa Commodity Market and Exchange Limited
GDP	Gross Domestic Product
GIABA	Inter-Governmental Action Group Against Money Laundering in West Africa
GSE	Ghanaian Stock Exchange
GSI	Global Standing Instruction
HHI	Herfindahl-Hirschman Index
I&E	Investor & Exporter
ICAAP	Internal Capital Adequacy Assessment Process
ICE	Intercontinental Exchange
ICFA	Implied Cash Flow Analysis
IFOs	Illegal Fund Operators
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IRRBB	Interest Rate Risk in the Banking Book
KOB	Knowledge of Business
KYC	Know Your Customer
LCFE	Lagos Commodities and Futures Exchange
LDR	Loan-Deposit Ratio
LR	Liquidity Ratio
M1	Narrow Money Supply
M2	Broad Money Supply
M3	M2 plus CBN Bills held by the money-holding sectors
MC	Market Capitalization
MENA	Middle East and North African Countries
MFBs	Microfinance Banks
MHSs	Money Holding Sectors
MICEX	Moscow Interbank Currency Exchange

Acronym	Description
MMOs	Mobile Money Operators
MoUs	Memoranda of Understanding
MPR	Monetary Policy Rate
MSMEs	Micro, Small and Medium Enterprises
MTDS	Medium-Term Debt Strategy
NAICOM	National Insurance Commission
NAPGEP	National Peer Group Educator Programme
NASD	National Association of Securities Dealers
NAV	Net Asset Value
NBS	National Bureau of Statistics
NCR	National Collateral Registry
NDA	Net Domestic Assets
NDIC	Nigeria Deposit Insurance Corporation
NDPR	Nigerian Data Protection Regulation
NEXIM	Nigerian Export-Import Bank
NFA	Net Foreign Assets
NFIU	Nigerian Financial Intelligence Unit
NGX	Nigerian Exchange Limited
NIBSS	Nigeria Inter-Bank Settlement System
NICPAS	Nigeria Cheque Printers' Accreditation Scheme
NIDIF	Non-Interest Deposit Insurance Fund
NIMC	National Identity Management Commission
NIN	National Identity Number
NMRC	Nigeria Mortgage Re-finance Company Plc
NPLs	Non-Performing Loans
NSBPs	Nigeria Sustainable Banking Principles
NSE 20	Nairobi Stock Exchange 20-Share Index
NSE ASI	Nigerian Stock Exchange All-Share Index
NTBs	Nigerian Treasury Bills

Acronym	Description
NYSC	National Youth Service Corps
OAGF	Office of the Accountant General of the Federation
OBB	Open Buy Back
ODCs	Other Depository Corporations
OFIs	Other Financial Institutions
OPEC	Organisation of Petroleum Exporting Countries
OPEC+	OPEC Members plus 10 other oil-producing countries
ORB	OPEC Reference Basket
OTC	Over-the-Counter
PAIF	Power and Aviation Infrastructure Fund
PAR	Portfolio at risk
PCX	Prime Commodity Exchange
PENCOM	National Pension Commission of Nigeria
PFAs	Pension Fund Administrators
PFCs	Pension Fund Custodians
PMBs	Primary Mortgage Banks
PoS	Point of Sale
PSBs	Payment Service Banks
PSDIF	Payment Service Deposit Insurance Fund
PSPs	Payments System Providers
PSV 2025	Payments System Vision 2025
QR	Quick Response
RAS	Risk Assessment Summary
RBS	Risk-Based Supervision
RCAR	Root Cause Analysis Report
RCMMP	Revised Capital Market Master Plan
ROA	Return on Assets
ROE	Return on Equity
RRPs	Recovery and Resolution Plans

Acronym	Description
RTGS	Real-Time Gross Settlement
S&P/FMDQ	Standards and Poor's Financial Market Dealers Quotations
S&P/TSX	Standards and Poor's Composite Index of the Toronto Stock Exchange
SANEF	Shared Agent Network Expansion Facilities
SCV	Single Customer View
SDRs	Special Drawing Rights
SEC	Securities and Exchange Commission
SIF	Securities Issuers Forum
SMEs	Small and Medium Enterprises
SRE	Supervisory Review and Evaluation
SSA	Sub-Saharan Africa
TIN	Tax Identification Number
WAMZ	West African Monetary Zone
WEO	World Economic Outlook
WTI	West Texas Intermediate

GOVERNOR'S STATEMENT

The June 2025 edition of the Financial Stability Report presents developments in the Nigerian financial system in the wake of continued global geopolitical tensions, trade frictions, as well as global macroeconomic headwinds. The Report captures the measures undertaken by the Bank to achieve its mandate of price, monetary, and financial system stability.

Global economic growth is projected to moderate to 2.8 per cent in 2025, down from 3.3 per cent in 2024. Growth in Advanced Economies (AEs) is expected to decline to 1.4 per cent in 2025, compared with 1.8 per cent in 2024. Emerging Market and Developing Economies (EMDEs) are projected to grow by 3.7 per cent in 2025, down from 4.3 per cent in 2024. In Sub-Saharan Africa (SSA), output growth is forecast at 3.8 per cent in 2025, compared with 4.0 per cent in 2024, driven by lower commodity prices, rising protectionism, and sharper deceleration in major economies.

In Nigeria, output increased to 3.68 per cent in the first half of 2025. The performance was spurred by increased oil production, growth in services, industry and agriculture sectors. Monetary and fiscal reforms also supported growth in the domestic economy as naira recorded an appreciation of 0.76 per cent to ₦1,529.71/US$ due to improved FX liquidity and the adoption of the Nigerian FX Code, which promoted market-based price discovery, transparency, and ethical conduct.

Furthermore, the Bank maintained its commitment to price and monetary stability, enforced robust regulatory and supervisory frameworks, and advanced strategic market initiatives, including banking sector recapitalisation and foreign exchange market reforms. The resilience and stability observed across the financial system underscore the effectiveness of these policy interventions.

Nigeria's economic outlook remains positive, supported by strategic reforms, improved oil production, a stable exchange rate, and ongoing innovations and collaborations within the financial sector. Furthermore, strengthened collaboration with fiscal authorities is expected to enhance policy coordination and foster sustainable economic development.

The Bank, in collaboration with other financial sector regulators and fiscal authorities, will continue to implement policies and initiatives aimed at preserving the integrity, safety, soundness, and overall stability of the financial system.

Olayemi Michael Cardoso
Governor, Central Bank of Nigeria

FOREWORD

The Nigeria Financial Stability Report (FSR) has over the years become an authoritative publication of the Bank, which previews global economic developments as well as presents comprehensive economic conditions and financial system developments in Nigeria.

Global financial conditions eased in the first half of 2025, shaped by disinflation and policy rate cuts in major economies, amid geoeconomic fragmentation and trade wars. The global financial market witnessed mixed trends across asset classes, influenced by the monetary policy stance of major central banks, supply chain disruptions, trade and capital flows. Stock markets remained bullish as key indices recorded modest gains. Commodity prices moderated, while bond yields recorded mixed performances.

In Nigeria, the financial system demonstrated resilience and relative stability. The exchange rate remained largely stable in the first half of 2025, while attractive yields in the bond and equity markets sustained a positive investor outlook. The macroeconomic environment was broadly characterised by easing inflationary pressures, a higher trade surplus, and increased capital flows. Similarly, key financial soundness indicators and stress test results affirmed the stability and resilience of the Nigerian financial system.

The June 2025 edition of the FSR is structured into nine sections. Section one considers developments in the global and domestic economies, while section two outlines developments in the financial system. Sections three and four cover regulatory and supervisory issues, as well as developments in the payments ecosystem. Sections five, six and seven focus on major activities in the deposit insurance schemes, pension and insurance subsectors, respectively. The last two sections, eight and nine, discuss the key risks and outlook for financial stability.

In keeping with the mandate of promoting a sound financial system in Nigeria, the Bank will sustain collaboration with other financial sector regulators in proactively assessing, identifying, and mitigating emerging risks in the financial ecosystem.

Philip Ikeazor
Deputy Governor, Financial System Stability
Central Bank of Nigeria

EXECUTIVE SUMMARY

Global economic growth declined in the first half of 2025, relative to the level in the preceding half-year, owing largely to the impact of trade friction, policy uncertainties, and geopolitical tensions. Output in Emerging Market & Developing Economies (EMDEs) and Sub-Saharan Africa (SSA) also declined, further constraining global economic growth.

Global growth is estimated at 2.8 per cent in 2025 from 3.3 per cent in 2024. In Advanced Economies, growth is projected to decline to 1.4 per cent in 2025 from 1.8 per cent in 2024, due to slowing economic activity in the US, while in EMDEs growth is estimated to decline to 3.7 per cent from 4.3 per cent in 2024 on account of the trade frictions and geopolitical uncertainties. Growth in SSA is expected to decrease to 3.8 per cent from 4.0 per cent in 2024.

Global inflation sustained its disinflationary trajectory during the review period, underpinned by the lagged effects of the contractionary monetary policy cycle and weak external demand. Consequently, global inflation is estimated to decline to 4.7 per cent in 2025 from 6.3 per cent in 2024. In SSA, inflation is forecasted to decline to 13.3 per cent in 2025 from 18.3 per cent in 2024. However, abrupt policy rate cuts and supply chain disruptions may upend these trends and reverse the gains of low and stable inflation.

In Nigeria, the economy grew by 3.68 per cent, compared with 3.65 per cent in the second half of 2024, driven largely by the non-oil sector. Headline inflation declined to 22.22 per cent, driven by exchange rate stability and monetary tightening. In the foreign exchange market, the naira appreciated to ₦1,535.72/US$ from ₦1,544.08/US$ at end-December 2024, while external reserves stood at US$37.81 billion at end-June 2025. The Bank maintained the monetary policy rate at 27.50 per cent in the first half of 2025 to sustain the disinflationary trend.

Capital market performance was bullish, driven by renewed investor optimism. The NGX All-Share Index and market capitalisation rose by 16.57 and 21.02 per cent, respectively. In the first half of 2025, domestic investors continued to dominate the capital market amid significant foreign portfolio inflow.

In the review period, the Nigeria Deposit Insurance Corporation widened its deposit insurance coverage ratio, the pension industry grew its “Assets Under Management” by 9.41 per cent, and the insurance sector's total assets rose significantly by 13.98 per cent. These developments reflected positive performance in the financial sector.

The Bank sustained its regulatory and oversight functions, including on-site surveillance, off-site monitoring and AML/CFT/CPF assessments to ensure the safety and soundness of the financial system. It also sustained the banking sector recapitalisation drive to strengthen risk absorption and support economic growth. Additionally, BVN onboarding, agents’ enrolments and e-payment system channels were sustained during the review period to enhance access to financial services, particularly in the underserved areas.

Key risks to financial system stability during the review period included elevated inflation, high interest rates, cybersecurity threats, global trade frictions and high debt levels. Overall, the outlook of the financial system remained positive, supported by improved regulatory oversight and enhanced fiscal-monetary collaboration. The Bank remained committed to achieving monetary and price stability and promoting a stable, sound and resilient financial system in Nigeria.

1. ECONOMIC AND FINANCIAL DEVELOPMENTS

1.1 Output Growth

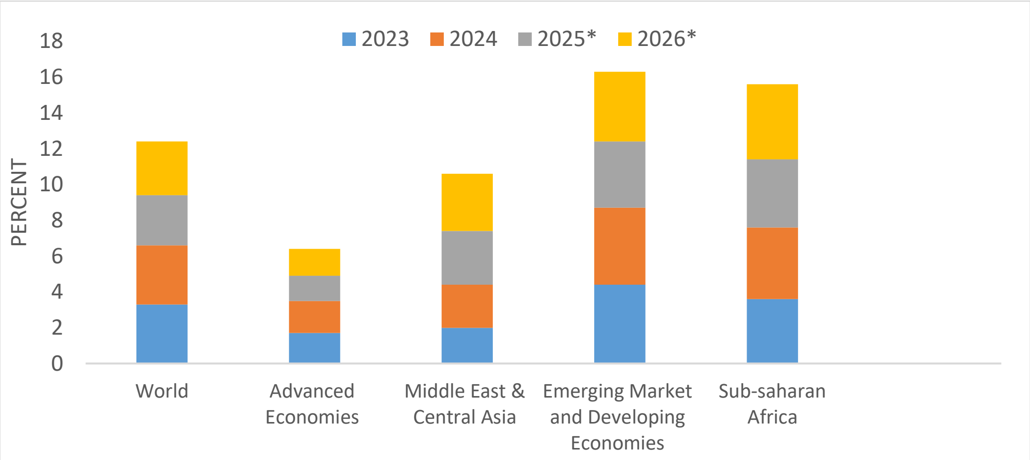
1.1.1 Global Output Growth

Global growth is expected to moderate to 2.8 per cent in 2025 from 3.3 per cent in 2024, reflecting the impact of increased trade friction, policy uncertainty, and geopolitical tensions, which weighed on economic activities despite the decline in inflation. (IMF, WEO April 2025).

Output growth in Advanced Economies (AEs) is estimated at 1.4 per cent in 2025, compared with 1.8 per cent in 2024, representing a decline of 0.4 percentage point, owing largely to the slowdown in economic activities in the US. By contrast, growth in Emerging Market and Developing Economies (EMDEs) is expected to moderate to 3.7 per cent in 2025, from 4.3 per cent in 2024, reflecting productivity losses in the Middle East and Central Asia, particularly in China, following the hike in U.S tariffs on Chinese exports.

In Sub-Saharan Africa (SSA), output growth is projected at 3.8 per cent in 2025, compared with 4.0 per cent in 2024, reflecting lower commodity prices, rising protectionism, and a sharper deceleration in major economies.

Figure 1.1 Global Output Growth



Source: IMF World Economic Outlook Update, April 2025

Note: *IMF Projections

Table 1.1: Global Output Growth

	2020	2021	2022	2023	2024	2025*	2026*
World	-3.1	6.3	3.5	3.3	3.3	2.8	3.0
Advanced Economies	-4.5	5.4	2.6	1.7	1.8	1.4	1.5
United States	-3.4	5.9	1.9	2.9	2.8	1.8	1.7
Euro Area	-6.4	5.3	3.4	0.4	0.9	0.8	1.2
Japan	-4.5	2.2	1.0	1.5	0.1	0.6	0.6
United Kingdom	-9.4	7.6	4.3	0.3	1.1	1.1	1.4
Canada	-5.2	5.0	3.8	1.5	1.5	1.4	1.6

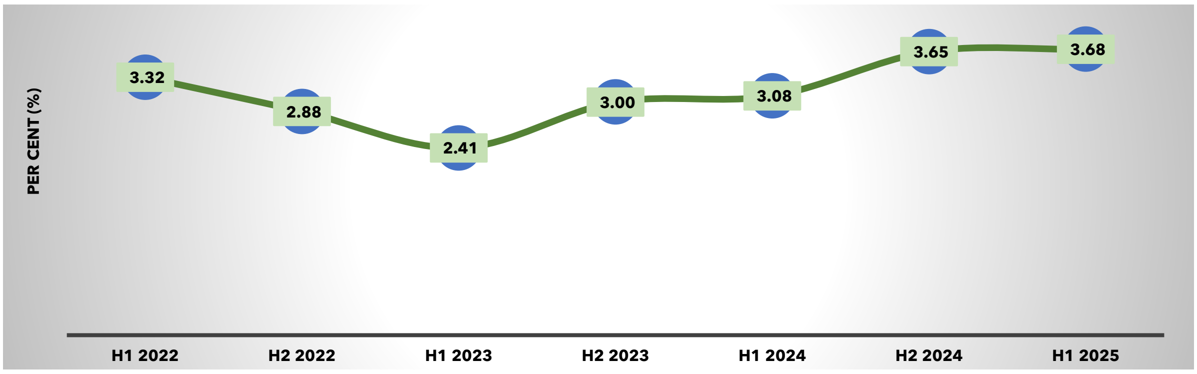
Emerging Market & Developing Economies	-2.0	6.8	4.1	4.4	4.3	3.7	3.9
China	2.3	8.4	3.0	5.2	5.0	4.0	4.0
Middle East & Central Asia	-3.2	4.0	5.6	2.0	2.4	3.0	3.5
Sub-Saharan Africa	-1.7	4.7	4.0	3.6	4.0	3.8	4.2
Nigeria	-1.8	3.0	3.3	2.9	3.4	3.0	2.7

*IMF WEO April 2025 *IMF Projections*

1.1.2 Domestic Output Growth

The domestic economy sustained its growth trajectory in the first half of 2025, as real output grew by 3.68 per cent, compared with 3.65 per cent in the preceding half-year.

Figure 1.2 Gross Domestic Product Growth



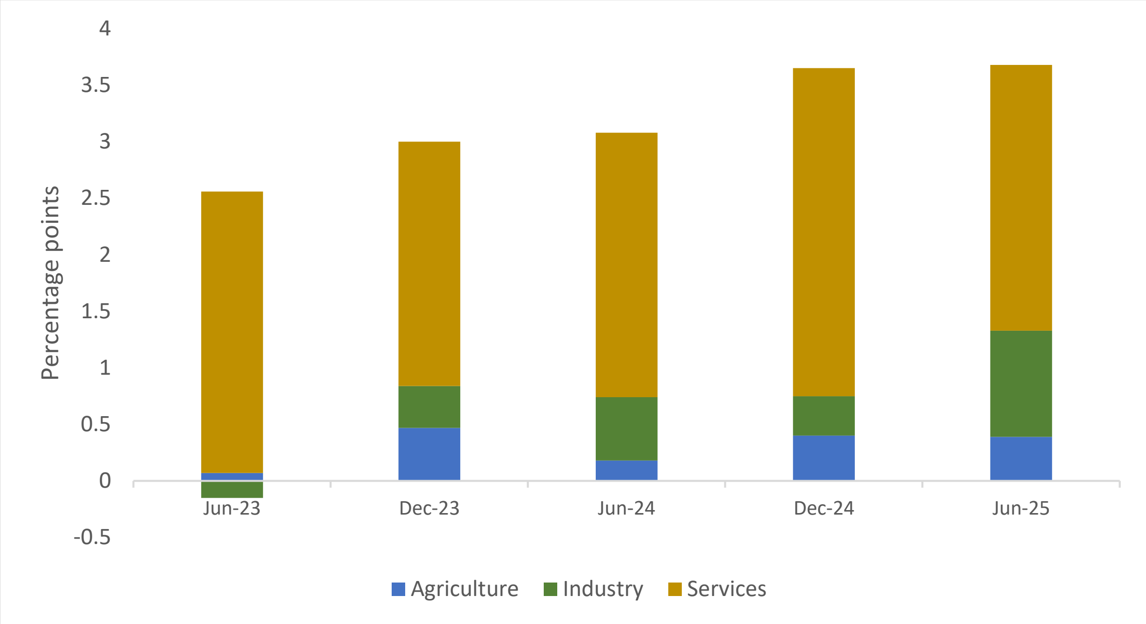
Source: National Bureau of Statistics

The non-oil sector remained the main driver of growth, contributing 3.28 percentage points, owing to the performance of the services sector.

An analysis of sectoral contribution to real GDP growth indicated that the services sector contributed 2.35 percentage points, which was higher than the 2.22 percentage points in the preceding half-year. The sustained performance of the services sector was driven, mainly, by activities in the finance & insurance and transport & storage sub-sectors. The performance of the finance & insurance sub-sector was attributed to improvements in the banking segment, bolstered by capital raising activities, interest income, profit margins and the enactment of the new Insurance Act, which attracted investment and renewed confidence in the sub-sector. The growth in the transport & storage sub-sector was anchored on improved federal road rehabilitation projects, which improved transit efficiency, logistics, and supply chains across the country.

The agriculture sector contributed 0.39 percentage point to real GDP growth, higher than the 0.13 percentage point in the preceding half-year. The contribution was largely driven by improved crop production, spurred by investment in new machinery. Similarly, the industry sector recorded a contribution of 0.94 percentage point, compared with 0.54 percentage point in the preceding half-year (Appendix 1).

Figure 1.3: Contributions to real GDP Growth



Source: National Bureau of Statistics

The oil sector contributed 0.40 percentage point to real GDP growth, maintaining its positive performance. Oil GDP expanded by 11.16 per cent, compared with 3.87 per cent in the preceding half-year. The sustained expansion in the oil sector was largely attributed to enhanced security around critical production terminals, which boosted oil production by 6.79 per cent to 1.47 million barrels per day (bpd).

Table 1.2: Crude Oil Production (bpd)

2024	**July**	**August**	**September**	**October**	**November**	**December**	**2024H2 AVERAGE**
Daily Average	1,306,657	1,351,689	1,324,293	1,333,322	1,485,656	1,484,585	**1,381,034**
2025	**January**	**February**	**March**	**April**	**May**	**June**	**2025H1 AVERAGE**
Daily Average	1,538,697	1,465,006	1,400,783	1,485,700	1,452,941	1,505,474	**1,474,767**

Source: Nigerian Upstream Petroleum Regulatory Commission (NUPRC)

1.2 Inflation

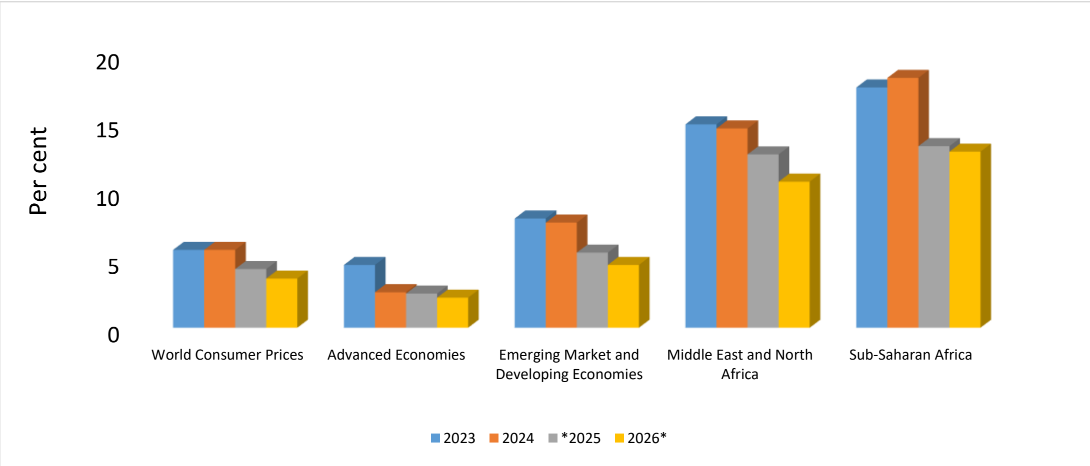
1.2.1 Global Inflation

Global inflation is projected to decline to 4.3 per cent in 2025 from 5.7 per cent in 2024, owing to several factors including the lagged effect of monetary policy tightening, slowing economic growth, weak external demand and softening commodity prices.

In the AEs, inflation is projected to decline to 2.5 per cent in 2025 from 2.6 per cent in 2024, driven largely by deceleration in prices in the Euro area and Japan. Inflation is expected to remain at 3.0 per cent in the US due to tight labour market, lingering effects of supply chain disruption and geopolitical events. However, inflation in the UK is estimated to rise to 3.1 per cent from 2.5 per cent in 2024 attributable largely to increases in energy and utility costs.

In EMDEs, inflation is expected to ease to 5.5 per cent in 2025 from 7.7 per cent in 2024 due to tight monetary policy, increased capital inflow, and relative stability in the exchange rates. Similarly, in the Middle East and North Africa, inflation is estimated to decelerate to 12.7 per cent in 2025 from 14.6 per cent in 2024. Inflation in SSA is expected to decline to 13.3 per cent from 18.3 per cent in 2024, underpinned by tighter monetary policy, lower global food prices and efforts at fiscal consolidation.

Figure 1.4 Global Inflation



Source: *WEO, April 2025*

Table 1.3: Global Inflation (per cent)

	2020	2021	2022	2023	2024	*2025	2026*
World Consumer Prices	3.3	4.7	8.7	5.7	5.7	4.3	3.6
Advanced Economies	0.7	3.1	7.3	4.6	2.6	2.5	2.2
United States	1.3	4.7	8.0	4.1	3.0	3.0	2.5
Euro Area	0.3	2.6	8.4	5.4	2.4	2.1	1.9
Japan	0.0	–0.2	2.5	3.3	2.7	2.4	1.7
United Kingdom	0.9	2.6	9.1	7.3	2.5	3.1	2.2

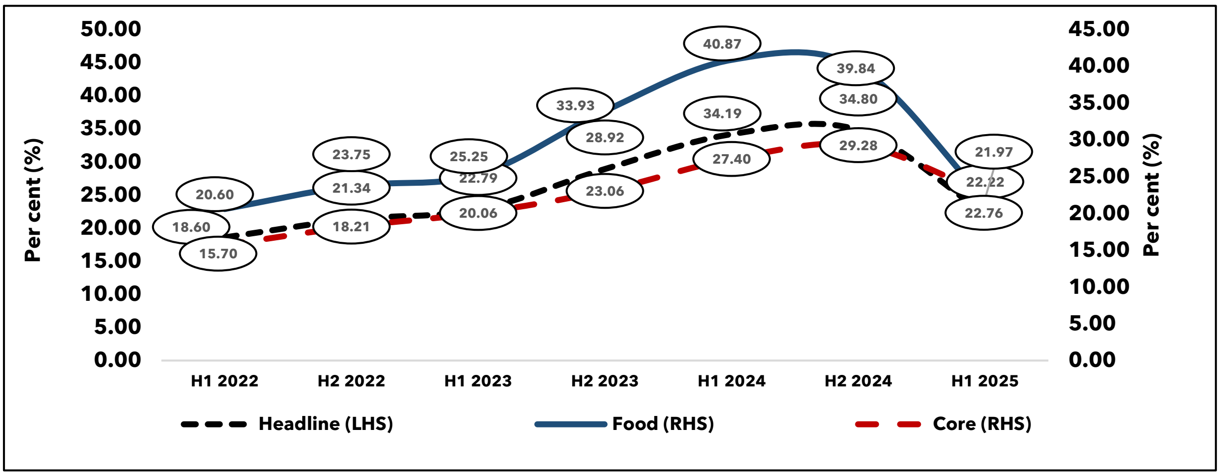
Emerging Market and Developing Economies	5.2	5.8	9.5	8.0	7.7	5.5	4.6
Middle East and North Africa	10.9	12.9	13.6	14.9	14.6	12.7	10.7
Sub-Saharan Africa	11.2	11.6	15.2	17.6	18.3	13.3	12.9

*Source: WEO April 2025 *IMF Projection*

1.2.2 Domestic Inflation

Inflation declined in the first half of 2025, driven by the food and non-food components of the consumer price index (CPI) basket. Headline inflation (year-on-year) decelerated to 22.22 per cent from 34.80 per cent at end-December 2024. The drivers were the CPI rebasing effect, seasonal adjustments in food supply, and exchange rate stability.

Figure 1.5 Inflationary Trends



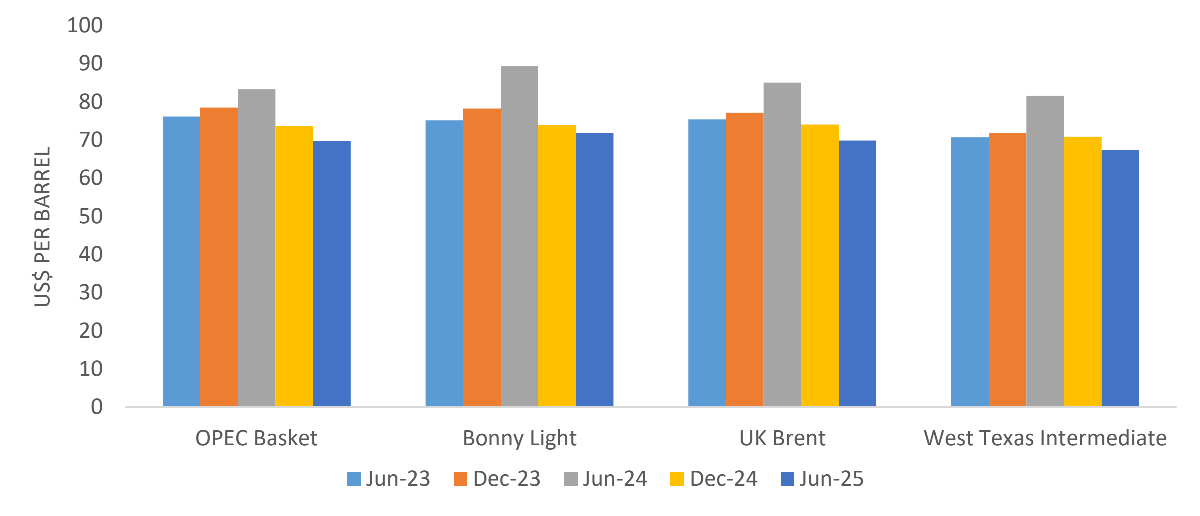
Source: National Bureau of Statistics

Food inflation (year-on-year) declined to 21.97 per cent, from 39.84 per cent in the second half of 2024. Similarly, core inflation fell to 22.76 per cent, compared with 29.28 per cent in the second half of 2024, owing mainly to the contractionary monetary policy stance, improved security and exchange rate stability.

1.3 Oil Prices

The average OPEC oil price fell by 5.23 per cent to US$69.73 from US$73.58 per barrel in the preceding half-year. Similarly, the prices of Bonny Light, UK brent and WTI declined, reflecting the impact of weakening global output, increased production by OPEC+ and the ongoing shift to alternative energy sources.

Figure 1.6: Oil Prices (US$ per barrel)



Source: OPEC Monthly Oil Market Report
Note: Brent is North Sea Dated

Table 1.4: Oil Prices (US$ Per Barrel)

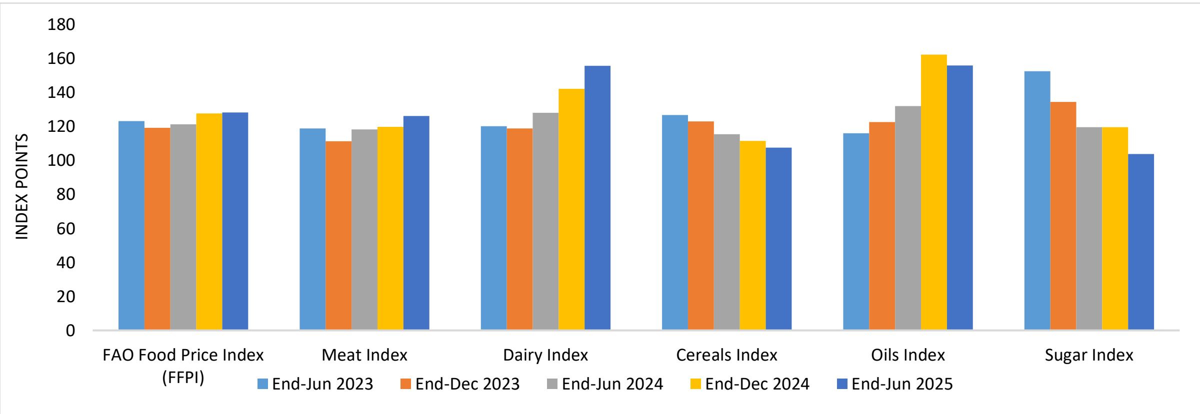
Selected Price Benchmarks	End-Dec 2022	End-Jun 2023	End-Dec 2023	End-Jun 2024	End-Dec 2024	End-Jun 2025
OPEC Basket	81.14	76.14	78.44	83.22	73.58	69.73
Bonny Light	82.58	75.16	78.19	89.31	73.94	71.73
UK Brent	83.33	75.41	77.15	85.00	74.07	69.80
West Texas Intermediate	80.00	70.64	71.77	81.54	70.85	67.33

Source: OPEC Monthly Market Reports

1.4 Food Prices

The Food and Agriculture Organisation (FAO) food price index inched up to 128.10 from 127.41 points in the preceding half-year, driven mainly by increases in international prices for dairy, meat, and vegetable oils, which offset the fall in the prices of cereals and sugar.

Figure 1.7: FAO Food Price Index



Source: FAO

Table 1.5: FAO Food Price Index

	End-Jun 2021	End-Dec 2021	End-Jun 2022	End-Dec 2022	End-Jun 2023	End-Dec 2023	End-Jun 2024	End-Dec 2024	End-Jun 2025
FAO Food Price Index (FFPI)	125.36	133.72	155.66	133.10	123.01	119.07	120.99	127.41	128.10
Meat Index	110.87	110.52	125.43	111.93	118.63	111.15	118.08	119.58	126.00
Dairy Index	120.07	130.39	158.16	148.58	119.88	118.69	127.86	141.91	155.50
Cereals Index	130.31	140.49	166.34	147.25	126.60	122.80	115.17	111.38	107.40
Oils Index	157.68	178.51	211.80	144.60	115.79	122.30	131.81	162.08	155.70
Sugar Index	107.73	116.43	117.28	117.18	152.16	134.23	119.36	119.29	103.70

Source: FAO

1.5 International Stock Markets

Global equities recorded a mixed performance in the first half of 2025, indicating a shift in investor sentiment and evolving macroeconomic conditions. African markets led the gains, particularly Nigeria, Ghana and Kenya, reflecting improved domestic fundamentals. In North America, the U.S. S&P 500 rebounded after a muted start, driven largely by strong performances in technology and consumer discretionary stocks. The Canadian market recorded steady gains, while Mexico experienced mild profit-taking.

The performance of stocks in South America was mixed, as Brazil's early-year rally slowed, Argentina witnessed sharp declines, whereas Colombia outperformed with sustained investor confidence. In Europe, markets were bullish with Germany as the standout performer. Performance in Asian markets varied, with Japan rebounding and India maintaining a steady upward trajectory on strong domestic demand and earnings outlook.

Overall, the global equity market performance was largely driven by the technology sector, resilient corporate earnings and differentiated investor appetite toward reform-oriented emerging economies. However, gains moderated in several regions, as investors reassessed risks linked to inflation dynamics, policy tightening, and geopolitical uncertainty (Appendix 2).

Figure 1.7 Indices of African Stock Markets

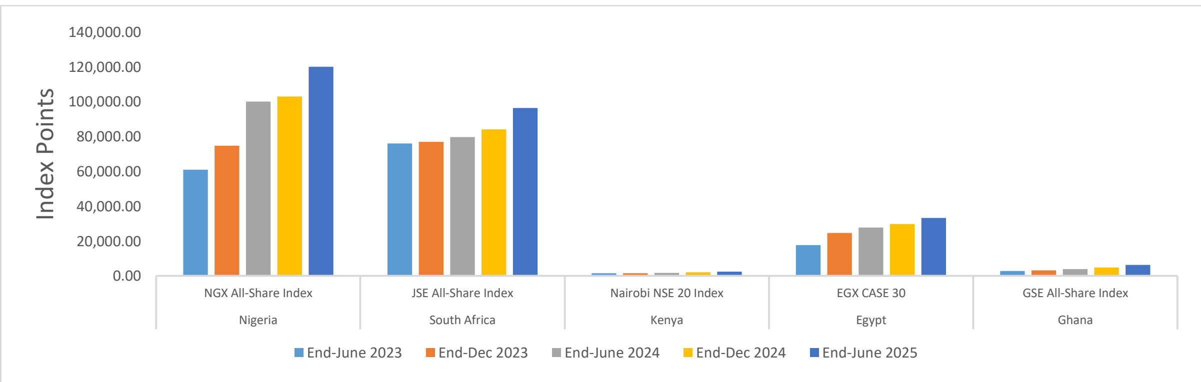
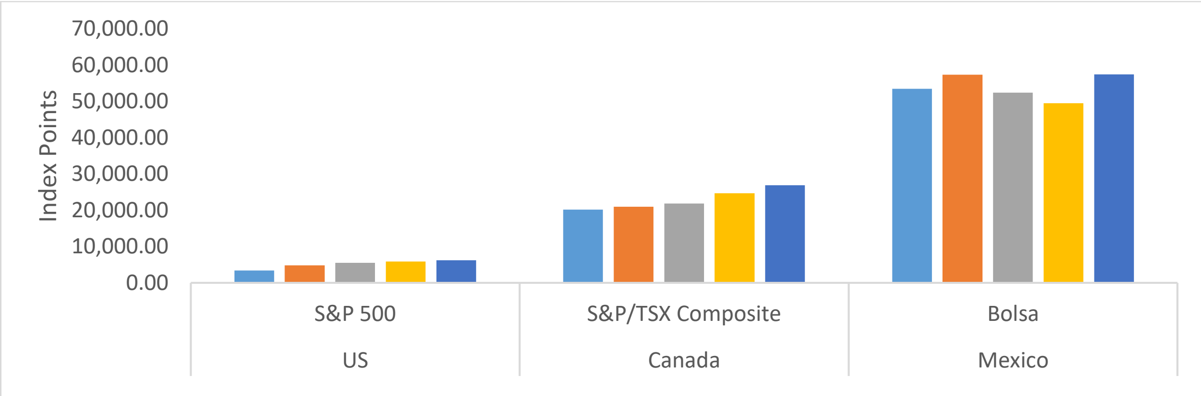


Figure 1.8 Indices of North American Stock Markets



Source: Bloomberg

Figure 1.9 Indices of South American Stock Markets

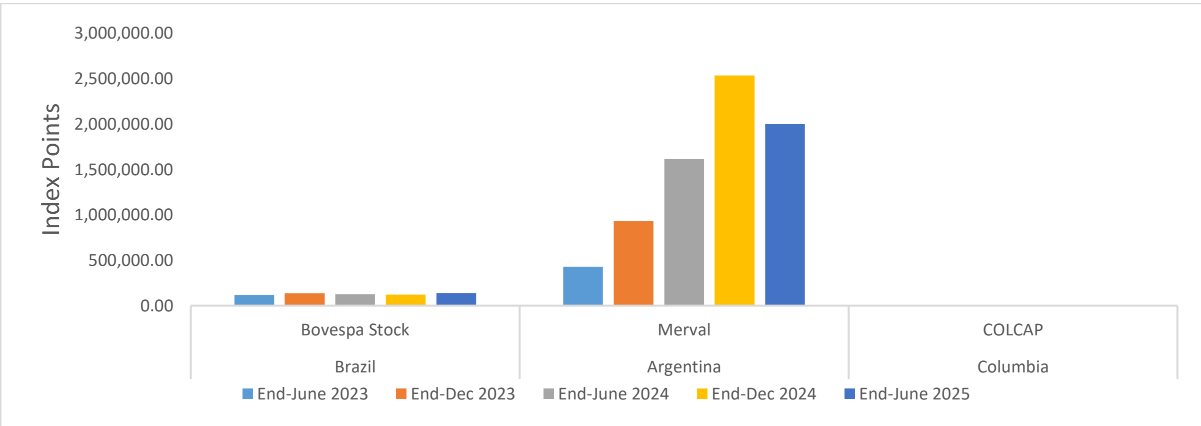
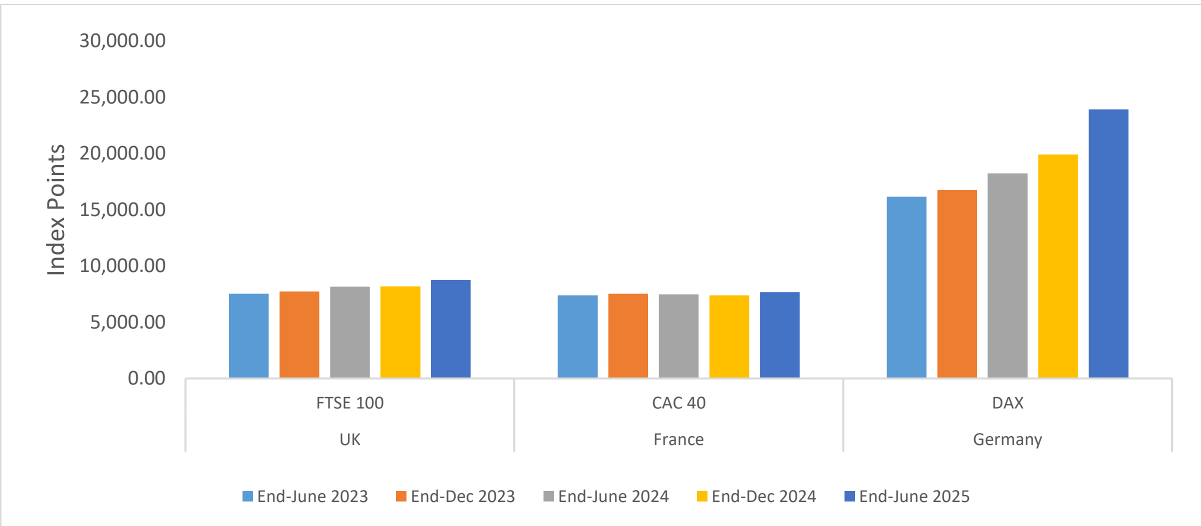
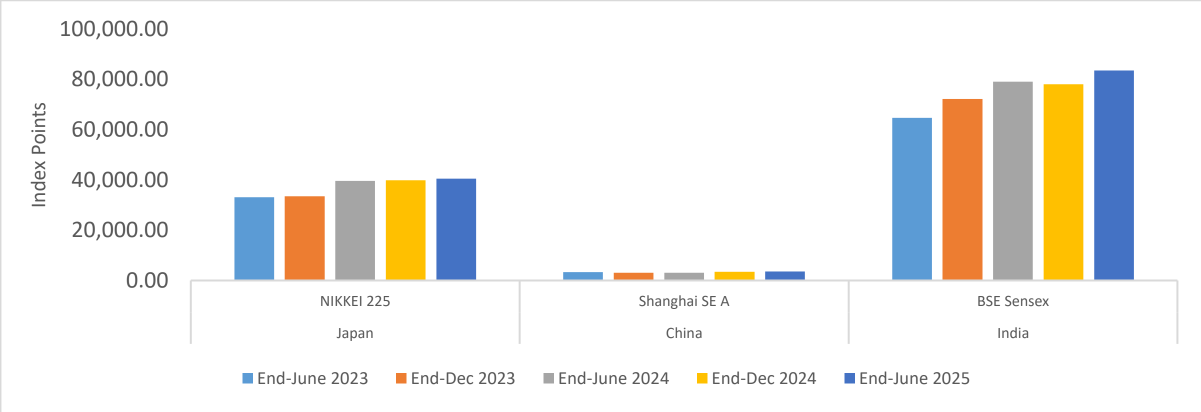


Figure 1.10 Indices of European Stock Markets



Source: Bloomberg

Figure 1.11 Indices of Asian Stock Markets



Source: Bloomberg

1.6 Global Foreign Exchange Market

Exchange rate trends were mixed during the period, with most currencies showing mild adjustments relative to the US dollar.

In Africa, the Nigerian naira appreciated marginally by 0.54 per cent, strengthening to ₦1,535.72/US$ from ₦1,544.08/US$ at end-December 2024, reflecting improvement in foreign exchange (FX) market liquidity. The Kenyan shilling was broadly unchanged over the six-month period, signaling relative market stability, while the Egyptian pound firmed slightly by 2.4 per cent to EGP49.60/US$, on account of improved FX inflows. Ghana's cedi recorded the most significant improvement, appreciating by 29.6 per cent due to improved FX liquidity and the effectiveness of monetary policy.

In North America, the Canadian dollar posted a 5.4 per cent appreciation against the US dollar, supported by stable energy prices and resilient capital inflows, while the Mexican peso appreciated by 10.0 per cent. South America showed divergent outcomes as the Colombian peso appreciated by 6.95 per cent amid favourable oil receipts and capital inflow, in contrast to a 16.75 per cent depreciation of the Argentinian peso.

In Europe, the euro and British pounds gained 12.16 and 8.86 per cent, respectively, against the US dollar, driven primarily by shifting monetary policy expectations. In Asia, the Japanese yen strengthened by 8.38 per cent, reflecting markets' anticipation of policy normalisation by the Bank of Japan, while the Chinese renminbi appreciated by 1.86 per cent as authorities cautiously managed the exchange rate. The Indian rupee was broadly stable, anchored by strong services exports and robust remittance flows (Appendix 3).

1.7 Monetary Policy Rates

Monetary policy stance among major central banks was divergent, reflecting varying disinflation paths and growth cycles. In AEs, policy easing gained traction, but at a more gradual and data-dependent pace than earlier projected.

Among EMDEs, Brazil tightened monetary policy rate to 15.00 per cent from 12.25 per cent in December 2024 to combat persistent inflation risks, while Russia lowered its rate to 20.00 per cent from 21.00 per cent as inflationary pressures slightly eased. China maintained an accommodative stance by easing its policy rate to 3.00 per cent, in line with its priority of sustaining growth. In other emerging markets, Mexico and Colombia continued easing to 8.00 and 9.25 per cent, respectively, while Chile held steady at 5.00 per cent after frontloading rate cuts earlier in the cycle.

In Africa, Nigeria maintained a tight stance, holding the Monetary Policy Rate (MPR) at 27.50 per cent through the first half of 2025, reflecting its commitment to rein in inflation. South Africa and Egypt moderated their stances, reducing their policy rates slightly to 7.25 and 24.00 per cent, respectively, while Ghana tightened marginally to 28.00 per cent, signalling efforts to further contain inflation and boost inflows (Appendix 4).

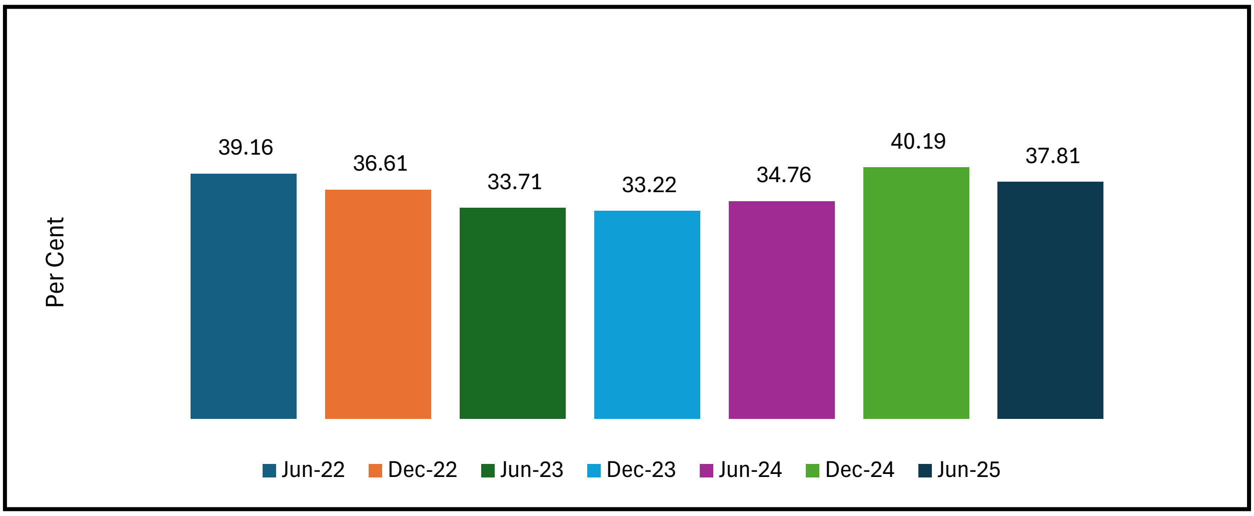
1.8 External Reserves

Nigeria's gross external reserves stood at US$37.81 billion, compared with US$40.19 billion at end-December 2024. This level of reserves is equivalent to 12.4 months of import cover (FOB), significantly higher than the minimum benchmark of 3 months of import cover.

A breakdown of the reserves showed that the Central Bank of Nigeria (CBN) holdings accounted for US$32.95 billion (87.14 per cent), the Federal Government of Nigeria (FGN) US$4.86 billion (12.86 per cent) and the Federation US$723,350.08 (approximately less than 0.01 per cent). By currency composition, 76.51 per cent of the reserves were held in US dollars, 11.46 per cent in Special Drawing Rights (SDRs), 8.94 per cent in Chinese Renminbi, and 3.09 per cent in other currencies.

Total inflows to the reserves declined by 22.29 per cent to US$18.34 billion, from US$23.60 billion at end-December 2024. The decrease was largely driven by lower third-party receipts and crude oil-related tax revenues. Conversely, total outflows rose by 16.84 per cent to US$20.47 billion at end-June 2025, from US$17.52 billion in the second half of 2024, primarily due to higher settlements and FX sales. The combined effect of reduced inflows and increased outflows resulted in net outflows in the review period (Appendix 5).

Figure 1.12 External Reserves (US$ Billion)



2. DEVELOPMENTS IN THE NIGERIA FINANCIAL SYSTEM

2.1. Monetary and Credit Developments

The monetary base grew by 6.08 per cent at end-June 2025, driven by an increase of 8.89 per cent in liabilities to other depository corporations (ODCs). The disaggregation of the monetary base showed that Currency-in-Circulation (CIC) decreased by 7.97 per cent to ₦5,007.52 billion, while the eNaira stock remained at ₦18.31 billion. The decline in notes and coins reflected a reduction in cash demand by economic agents.

Table 2.1: Components of Monetary Base (₦Billion)

	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024	H1 2025
Monetary Base	**13,107.92**	**12,333.85**	**13,295.15**	**13,860.27**	**16,032.96**	**17,339.25**	**24,735.52**	**25,023.19**	**32,672.83**	**34,659.42**
Currency-In-Circulation	2,908.46	2,741.26	3,325.16	3,255.56	3,012.06	2,603.27	3,653.30	4,048.73	5,441.16	5,007.52
Of which Notes & Coins	2,908.46	2,741.26	3,324.22	3,254.21	3,009.51	2,596.11	3,639.32	4,030.35	5,422.85	4,989.21
eNaira	-	-	0.94	1.35	2.55	7.16	13.98	18.38	18.31	18.31
Liabilities to ODCs	10,199.46	9,592.59	9,969.99	10,604.70	13,020.91	14,735.98	21,082.21	20,974.46	27,231.67	29,651.90
Monetary Base (% Growth)	-1.04	-5.91	7.79	4.25	15.68	8.15	42.66	1.16	30.57	6.08

Broad money supply (M3) grew by 3.44 per cent, representing an annualised growth of 6.88 per cent, below the provisional benchmark of 8.12 per cent. The rise in M3 was driven by the 29.74 per cent increase in net foreign assets (NFA). The growth in the NFA was due to the 7.89 per cent rise in claims on non-residents. However, net domestic assets (NDA) declined, resulting from the 20.18 and 2.43 per cent fall in net claims on government and claims on "other sectors", respectively, reflecting the contractionary monetary policy stance of the Bank.

Table 2.2: Growth Rates of Monetary Aggregates

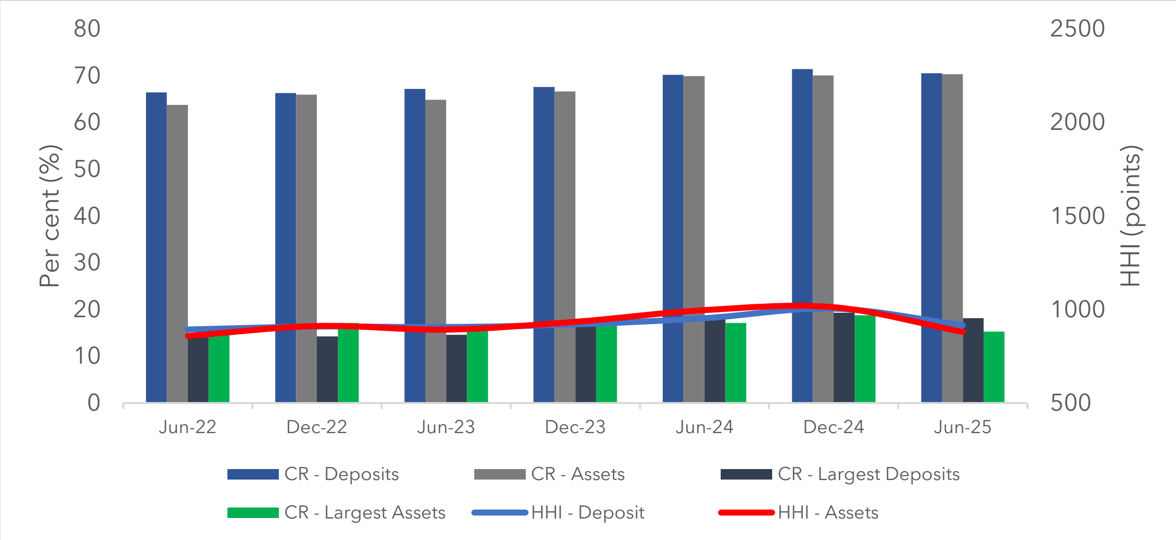
% Change	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024	H1 2025
Net Foreign Assets	7.34	-18.73	28.25	-34.68	-37.09	49.67	62.36	147.27	38.41	29.74
Net Domestic Assets	9.21	7.64	8.92	21.94	12.98	23.53	17.07	12.1	3.86	-6.89
Domestic Claims	7.62	6.85	10.27	17.82	15.1	31.04	10.89	1.08	8.28	-7.01
Net Claims on Central Government	29.15	0.88	19.37	31.61	30.07	35.7	4.35	-28.66	13.4	-20.18
Claims on Other Sectors	1.13	9.15	7.03	12.35	8.16	28.44	14.74	17.03	6.6	-2.43
Other Items (Net)	-12.04	11.97	24.83	7.92	30.78	29.7	-35.98	65.18	-113.41	-336.3

The growth in total monetary liabilities was due to the 4.99 and 3.83 per cent increase in transferable deposits and other deposits, respectively. The rise in transferable deposits was attributed to increases in the deposits of commercial & merchant banks. Similarly, the growth in other deposits was due mainly to the rise in foreign currency deposits of the depository corporations. The growth in broad money liabilities was driven largely by the contributions of other deposits and transferable deposits by 2.52 and 1.48 percentage points, respectively. However, the contribution of currency outside depository corporations and securities other than shares declined by 0.55 and 0.01 percentage points, respectively.

2.1.1. Market Structure of the Banking Industry

The Commercial, Merchant and Non-Interest Banks (CMNBs) remained highly competitive as depicted by the Herfindahl-Hirschman Indices (HHI)[1]. The HHI in terms of deposits and assets, stood at 916.69 and 880.65 compared with 1,010.94 and 1,012.92, respectively, in the preceding half-year. The concentration ratio of the 7 largest banks (CR7) in terms of deposits fell to 70.59 per cent from 71.49 per cent, while assets rose to 70.42 per cent from 70.14 per cent at end-December 2024. In addition, the share of individual banks in total deposits and assets ranged from 0.07 to 18.17 and 0.10 to 15.28 per cent, respectively.

Figure 2.1 Herfindahl-Hirschman Index and Concentration Ratios of the Banking Industry Assets and Deposits



2.1.2. Sectoral Distribution of Credit

Total credit to key sectors of the economy decreased by 1.79 per cent to ₦58,159.13 billion, from ₦59,216.95 billion at end-December 2024, reflecting the tight monetary policy stance of the Bank. Credit utilisation across all sectors recorded mixed performance, as credit to the industry and services sectors decreased by 4.68 and 0.87 per cent, respectively, while the agriculture sector grew by 11.63 per cent. A further disaggregation of the sectoral credit utilisation revealed that the services sector, at ₦32,408.24 billion, accounted for the largest share (55.72 per cent), followed by industry, ₦22,564.38 billion (38.80 per cent) and agriculture, ₦3,186.52 billion (5.48 per cent).

[1] HHI values range from 100 (highly competitive) to 10,000 (monopoly)

Figure 2.2 Sectoral Credit Utilisation

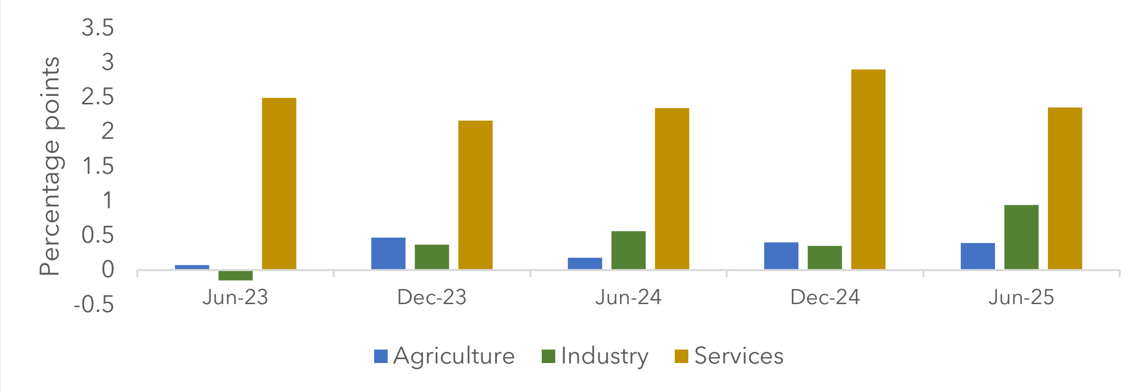


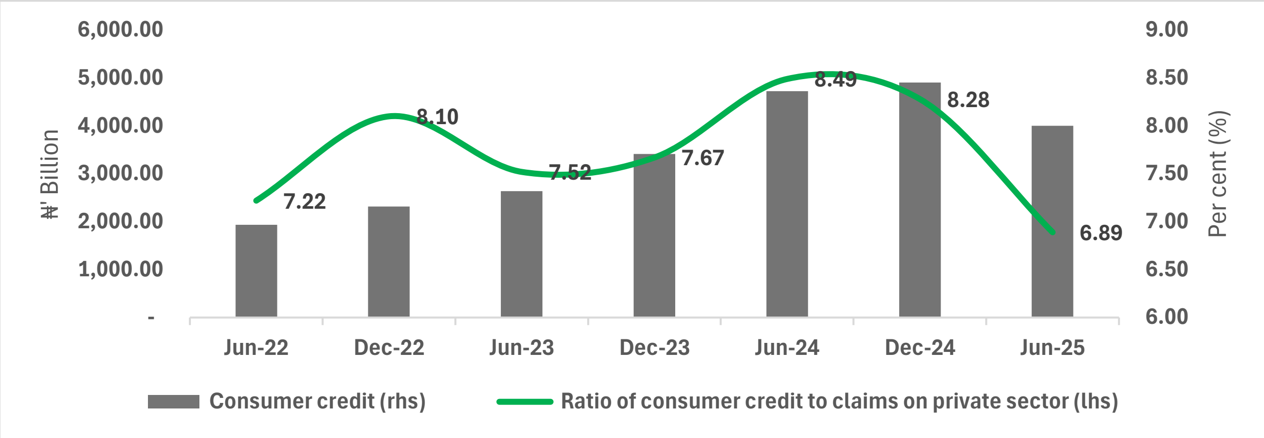
Table 2.3: Sectoral Credit Utilisation

ITEM	End-Jun 2024	End-Dec 2024	End-Jun 2025	Percentage Share in Total			% Change Between	
	₦'’Billion	₦'’Billion	₦'’Billion	Jun-24	Dec-24	Jun-25	(1) & (2)	(2) & (3)
	(1)	(2)	(3)	(4)	(5)	(6)		
[a] Agriculture	2,440.83	2,854.51	3,186.52	4.38	4.82	5.48	16.95	11.63
[b] Industry	24,571.78	23,671.35	22,564.38	44.10	39.97	38.80	-3.66	-4.68
of which Manufacturing	9,263.98	8,528.59	7,091.00	17.36	14.4	12.19	-7.94	-16.86
[c] Services	28,701.19	32,691.09	32,408.24	51.52	55.21	55.72	13.9	-0.87
of which Finance, Insurance & Capital Market	6,159.99	7,745.45	9,472.18	9.72	13.08	16.29	25.74	22.29
Trade/General Commerce	3,565.94	4,536.64	3,855.23	7.97	7.66	6.63	27.22	-15.02
TOTAL PRIVATE SECTOR CREDIT	**55,713.80**	**59,216.95**	**58,159.13**	**100**	**100**	**100**	**6.29**	**-1.79**

2.1.3. Consumer Credit

Consumer credit fell by 18.34 per cent to ₦4,004.30 billion from ₦4,903.39 billion at end-December 2024, reflecting the impact of the contractionary monetary policy stance of the Bank. A disaggregation of consumer credit showed that personal loans accounted for 50.28 per cent, while retail loans accounted for 49.72 per cent, compared with 78.55 and 21.45 per cent, respectively, at end-December 2024. Of the total claims on the private sector (₦58,159.13 billion), the share of consumer credit stood at 6.89 per cent, relative to 8.28 per cent in the preceding half-year.

Figure 2.3 Consumer Credit



2.2. Composition of Banks and Other Financial Institutions

The number of licensed CMNBs increased to 38, comprising 28 commercial, five merchant and five non-interest banks (NIBs). Seven commercial banks with international authorisation had 56 cross-border banking subsidiaries, while one of the banks had a foreign branch. The number of representative offices was five, bringing the total number of offshore affiliates to 61. There were also two sub-subsidiaries and four branches of cross-border institutions at end-June 2025. The number of Payment Service Banks (PSBs) remained five.

During the review period, the number of licensed Microfinance Banks (MFBs) increased to 835 (9 National, 105 State, 292 Unit Tier-1 and 429 Unit Tier-2 MFBs). Additionally, 15 Finance Companies (FCs) were licensed. The reinstatement of one Primary Mortgage Bank (PMB) licence brought the total number to 34 (23 State and 11 National PMBs).

Table 2.4: Composition of Banks and Other Financial Institutions

S/N	Type	End-Dec 2024	End-Jun 2025	Change
1	CMNBs			
	Commercial Banks:			
	International	7	7	0
	National	14	15	1
	Regional	6*	6	0
	Merchant Banks:			
	National	6	5	-1
	Non-Interest Banks:			
	National	4	5	1
	Sub-total A	**37***	**38**	**1**
2	Microfinance Banks:			
	National	9	9	0
	State	123	105	-18
	Tier 1 Unit	254	292	38

	Tier 2 Unit	433	429	-4
		819	835	16
3	Bureaux De Change	1629	1629	0
4	Finance Companies	124	139	15
5	Development Finance Institutions	7	8	1
6	Primary Mortgage Banks	33	34	1
	Sub-total B	**2,612**	**2,645**	**33**
7	Financial Holding Companies	7	7	0
8	Representative Office	1	1	0
9	Payment Service Banks	5	5	0
10	Payment Service Providers	203	203	0
	Sub-total C	**216**	**216**	**0**
	Grand Total	**2,865***	**2,899**	**34**

*Corrected figures

The Bank also issued licences to 51 Payments Service Providers (PSPs), comprising one Switching/Processing company, 11 Payment Terminal Service Providers (PTSP), 25 Payment Solution Service Providers (PSSP), 13 Super-Agents and one Payments Terminal Service Aggregator (PTSA), bringing the total number of licensed PSPs to 264.

Table 2.5 Payment Service Providers

S/N	Licence Type	End-Dec 2024	End-Jun 2025	Change
1	Card Schemes	8	8	0
2	Mobile Money Operator*	17	17	0
3	Switching/Processing Companies	18	19	1
4	Payment Solution Services			
	Payment Terminal Services Provider**	36*	47	11
	Payment Solution Services Provider **	83*	108	25
	Super-Agent**	49*	62	13
		168	217	49
5	Payments Service Holding Company	1	1	0
6	Payments Terminal Service Aggregator	1	2	1
	Total	**213***	**264**	**51**

**The data shown is for Non-Bank Licensed Mobile Money Operators.*

*** Some PSSPs, PTSPs and super agents hold a combination of authorisations.*

2.3. Financial Markets

Global financial market developments were shaped by geopolitical tensions, tariff and trade policy shifts, and cautious policy changes by major central banks. There were heightened uncertainties and fragmentations in global supply chains, trade and capital flows due to geopolitical tensions. Commodity price adjustments and elevated debt levels, especially across emerging markets, also affected investors' sentiments across major markets, amid softer growth prospects and the weakening of the US dollar against major currencies

Despite the global uncertainty, Nigerian financial markets remained resilient, largely driven by the FX market reforms. These reforms enhanced FX liquidity, strengthened market integrity through increased transparency and stricter compliance enforcement, which promoted investor confidence and capital inflows. Financial institutions also bolstered regulatory capital positions and risk management frameworks to mitigate systemic vulnerabilities.

2.3.1. Money Market

The Bank sustained its liquidity management operations, including open market operations (OMO) auctions and discount window activities, alongside complementary Nigerian Treasury Bills (NTBs) and FGN bond auctions, to maintain liquidity within desirable thresholds and rein in inflation. Collateralised transactions continued to dominate activities in the interbank market, accounting for 99.09 per cent of the total value of deals. Key drivers of transactions included net fiscal flows, effects of cash reserve ratio (CRR) maintenance and OMO. Consequently, banking system liquidity conditions and interbank market rates reflected shifts in policy and autonomous flows.

2.3.1.1. Interbank Market Rates

The interbank money market rates generally traded within the standing facility corridor, underscoring effective monetary policy transmission during the first half of 2025. The Open Repurchase (OPR) daily weighted average rate opened at 27.20 per cent on January 2, 2025, compared with 27.08 per cent on July 1, 2024. The rate peaked at 32.58 per cent on February 13, 2025 dipped to 25.80 per cent on April 24, 2025, and closed at 28.19 per cent at end-June 2025, compared with 27.20 per cent at end-December 2024. The weighted average OPR rate was 28.90 per cent, compared with 29.30 per cent in the preceding half of 2024.

At the call segment, the unsecured weighted daily average rate opened at 26.50 per cent on January 1, 2025, as against 29.00 per cent on July 1, 2024. It peaked at 32.50 per cent on February 24, 2025, and closed at 26.50 per cent at end-June 2025. The weighted average call rate was 28.34 per cent, compared with 28.98 per cent in the second half of 2024.

The monthly average OPR and interbank call rates declined to 27.70 and 27.55 per cent from 29.75 and 29.31 per cent, respectively, at end-December 2024. The inter-bank money market rate volatility also moderated significantly during the review period. The volatility in

OPR rate fell to 0.80 percentage point in the first half of 2025, from 4.16 percentage points in the second half of 2024, consistent with stable liquidity condition under a tight policy stance.

Figure 2.4 Volatility in Open-Repurchase Rates

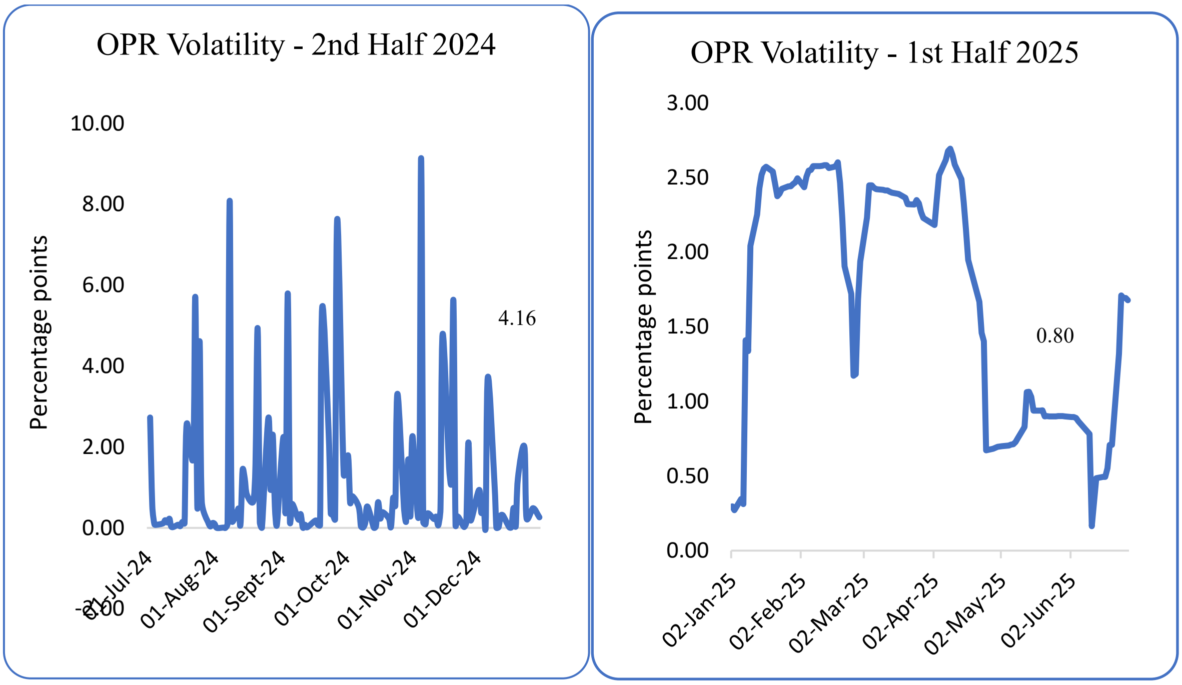
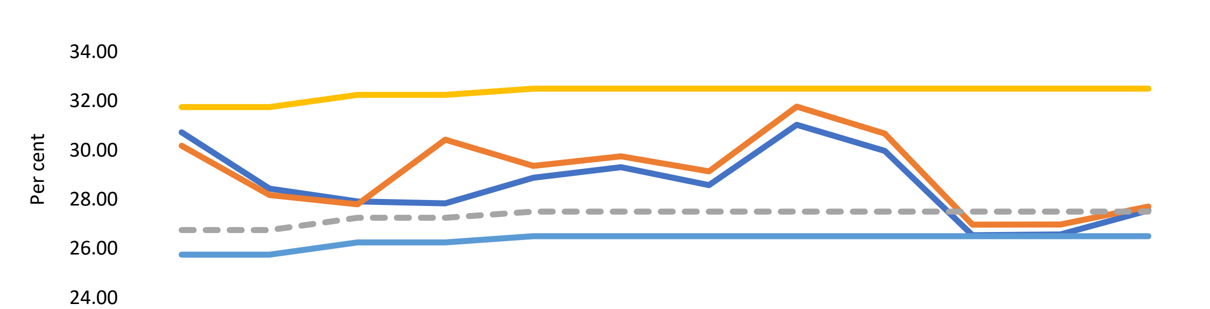


Figure 2.5 Money Market Rates



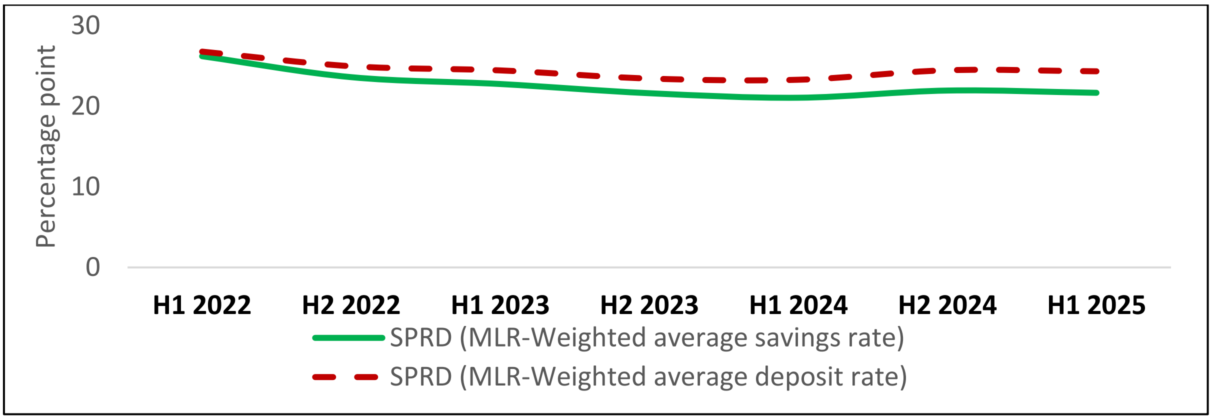
	Jul-24	Aug-24	Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Inter-Bank Call	30.73	28.44	27.92	27.83	28.88	29.31	28.58	31.03	29.97	26.54	26.57	27.55
OPR	30.18	28.17	27.79	30.42	29.36	29.75	29.14	31.77	30.67	26.97	26.98	27.70
MPR	26.75	26.75	27.25	27.25	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50
SLF	31.75	31.75	32.25	32.25	32.50	32.50	32.50	32.50	32.50	32.50	32.50	32.50
SDF	25.75	25.75	26.25	26.25	26.50	26.50	26.50	26.50	26.50	26.50	26.50	26.50

2.3.1.2. Deposit and Lending Rates

The weighted average prime and maximum lending rates increased following a sustained tight monetary policy stance. The rates rose by 0.89 and 0.11 percentage point to 18.22 and 29.99 per cent, respectively, above the levels in the preceding half-year.

Similarly, weighted average deposit (demand, savings and term) rate grew by 0.10 percentage point to 5.65 per cent from 5.55 per cent in the preceding half-year. The spread between the average maximum lending rate and the weighted average deposit rate narrowed marginally by 0.13 percentage point to 24.34 percentage points.

Figure 2.6 Interest Rates Spread



2.3.1.3. Nigerian Treasury Bills

At the primary market, the Nigerian Treasury Bills (NTBs) recorded higher offerings, subscriptions and allotments for the 91-, 182-, and 364-day tenors. Total NTBs offered and allotted were ₦7,977.02 billion and ₦8,502.09 billion, respectively, indicating increases of 59.28 and 60.77 per cent from the preceding period.

Similarly, total subscriptions rose by 107.61 per cent to ₦22,674.33 billion, pushing the bid to cover ratio to 2.67x, compared with 2.18x in the second half of 2024, reflecting heightened demand by deposit money banks, merchant banks, mandate, and internal customers, for risk-free securities at relatively attractive yields.

Average stop rates were 17.81, 18.42, and 19.68 per cent, compared with 17.58, 18.22, and 21.38 per cent for the 91-,182-, and 364-day tenor, respectively, in the second half of 2024.

Figure 2.7 Primary Market: Nigerian Treasury Bills Allotment

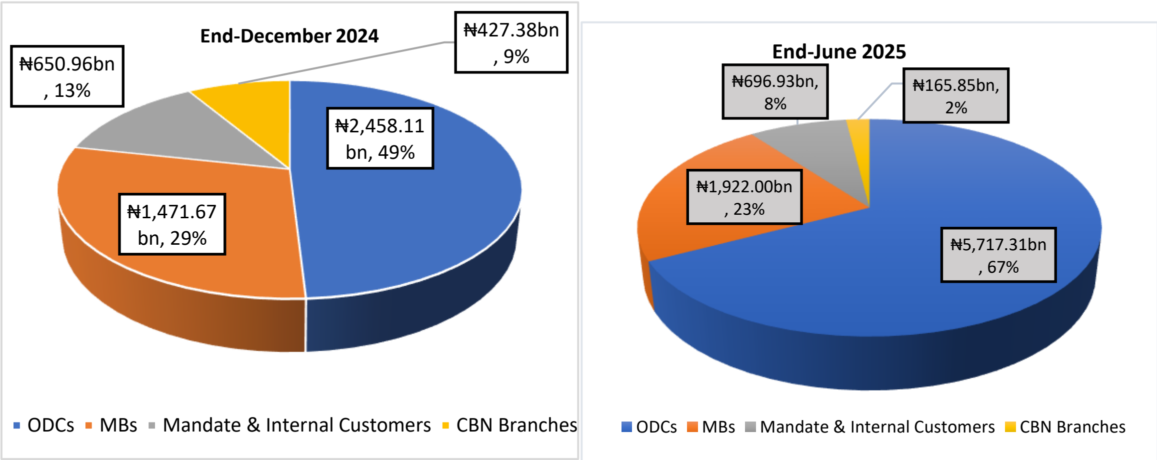
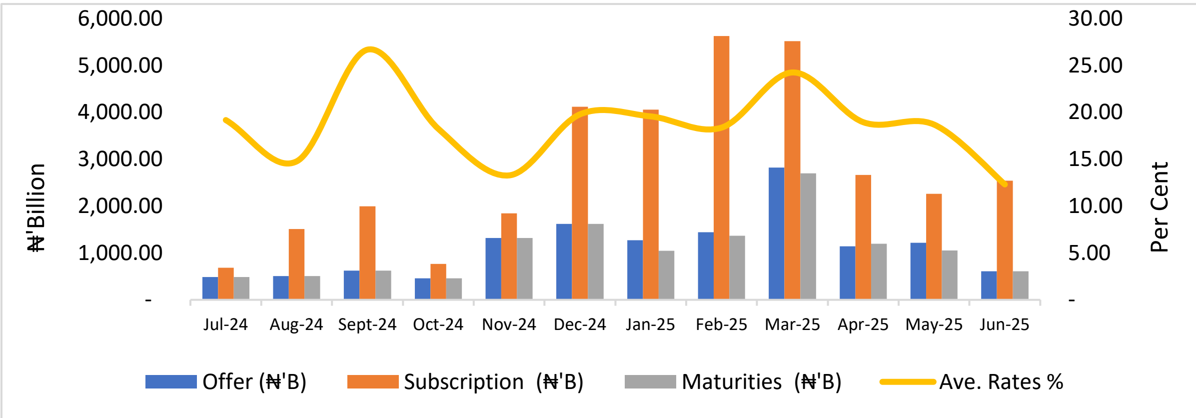
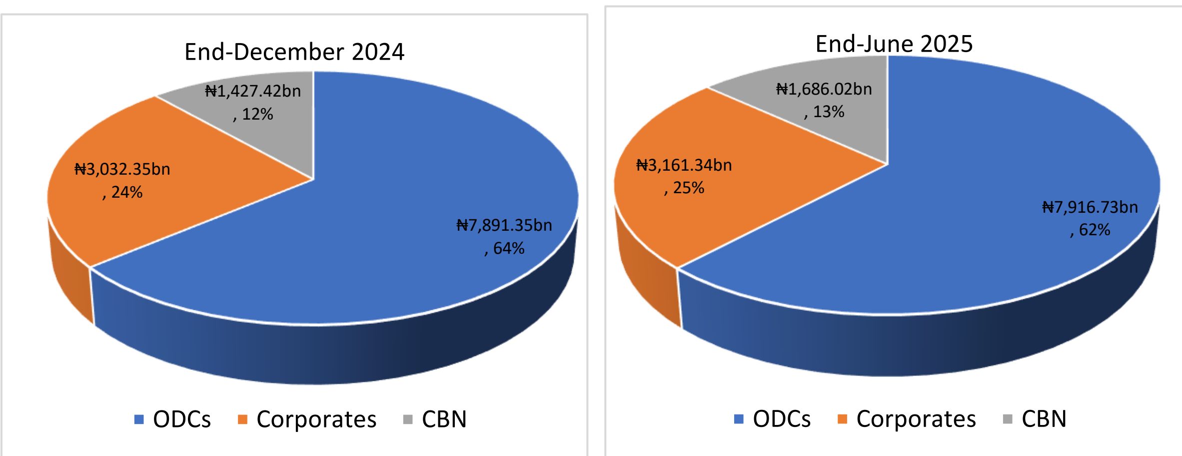


Figure 2.8 Primary Market: NTBs Transactions



The stock of NTBs outstanding rose by 3.34 per cent to ₦12,764.08 billion from ₦12,351.12 billion at end-December 2024, while the ownership structure remained bank-anchored: ODCs holdings accounted for 62.02 per cent, corporates 24.77 per cent, and CBN branches the balance of 13.21 per cent. This indicates a sustained appetite for risk-free short-dated assets, driven by system liquidity and cash-management needs.

Figure 2.9 Holdings of NTBs Outstanding (Per cent and ₦ Billion)

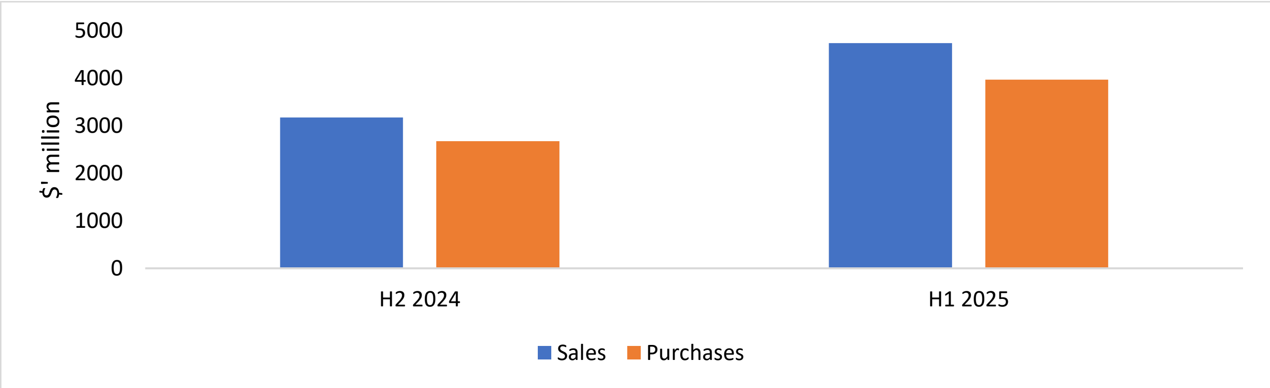


2.3.2. Nigerian Foreign Exchange Market

Foreign exchange activities recorded a significant boost, with FX sales rising to US$4.74 billion from US$3.18 billion in the second half of 2024. FX purchases were US$3.97 billion, resulting in net sales of US$0.77 billion, while there were no new forward transactions during the review period.

Total FX market turnover stood at US$52.47 billion, reflecting an increase of 262.40 per cent, compared with US$14.48 billion in the preceding half-year, reflecting improved market participation under the Electronic Foreign Exchange Matching System (EFEMS).

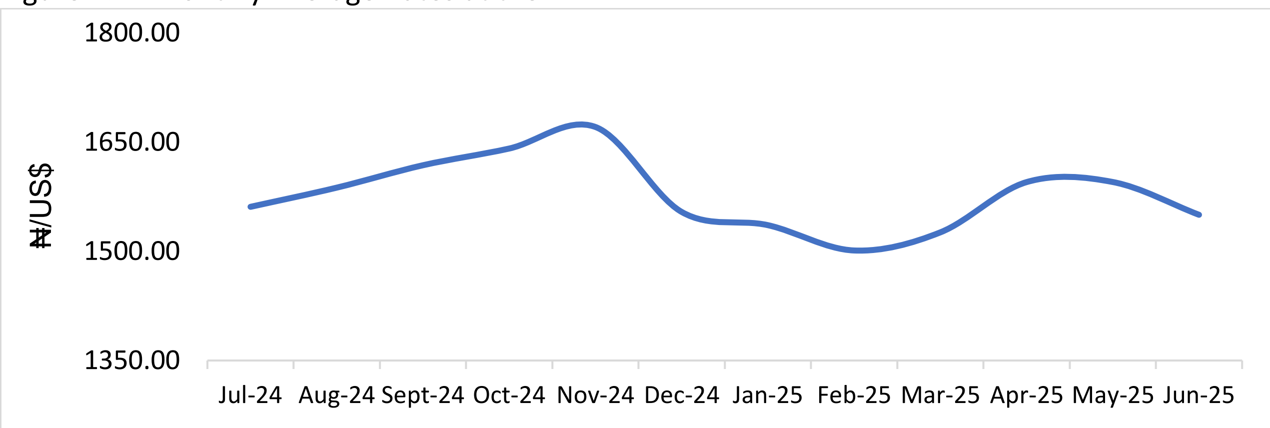
Figure 2.10 Transactions at the Nigerian Foreign Exchange Market



2.3.2.1. Foreign Exchange Rate

The naira recorded an appreciation of 0.76 per cent to ₦1,529.71/US$ on June 30, 2025, from ₦1,541.36/US$ on January 2, 2025, reversing the 1.73 per cent depreciation recorded in the preceding half of 2024 (₦1,509.69/US$ → ₦1,535.82/US$). The appreciation was supported by improved FX liquidity and the adoption of the Nigerian FX Code, which promoted market-based price discovery, transparency, and ethical conduct, thereby strengthening investor confidence.

Figure 2.11 Monthly Average Rates at the NFEM



2.3.2.2. Over-the-Counter Foreign Exchange Futures

There were no new over-the-counter (OTC) FX futures contracts in the review period, same as in the preceding half year. However, matured contracts amounted to US$86.49 million, compared with US$78.70 million at end-December 2024. Consequently, outstanding FX futures contracts decreased significantly to US$1.56 million from US$88.05 million in the preceding half-year.

2.3.2.3. Naira/Yuan Bilateral Currency Swap Agreement

The Bilateral Currency Swap Agreement (BCSA) between the Bank and the People's Bank of China (PBoC), valued ₦720.00 billion/CNY15.00 billion, which was renewed in April 2024 for another three-year term, subsisted during the first half of 2025. However, there were no new transactions under the Swap Agreement during the review period; thus, cumulative sales remained at CNY9.22 billion.

2.3.3. Capital Market

The Nigerian Exchange All-Share Index (NGX ASI) was bullish, ranking second among African exchanges and reaching an all-time high of 119,978.57 points, a 16.57 per cent increase at end-December 2024. This growth reflected investor confidence boosted by key reforms, such as the recapitalisation of major financial institutions, enactment of the Investment and Securities Act (ISA) 2025, foreign exchange market reforms, improved market transparency and operational efficiency. These measures expanded market access and attracted significant offshore inflows, notably through strategic block trades in large-cap equities.

2.3.3.1. New Issues of Securities

The capital market witnessed a notable decline in securities issuance at the equities segment relative to the preceding half-year. There were no public offers during the review period, compared with three issues valued ₦612.44 billion at end-December 2024. Rights issues declined to four valued ₦421.73 billion from 11 valued ₦2,066.78 billion at end-December 2024. Similarly, the value of two private placements fell by 59.68 per cent to ₦30.38 billion from ₦75.34 billion, while the volume remained unchanged. Consequently, total equity issuances decreased by 62.50 and 83.59 per cent in volume and value, to six issues from 16 valued ₦452.11 billion and ₦2,754.56 billion, respectively.

In contrast, corporate bond issuances increased to five from two in the preceding half-year, representing a 150.00 per cent rise in volume. The value of these issuances rose significantly by 776.43 per cent to ₦162.14 billion from ₦18.50 billion. However, there were no issuances of sub-national bonds, FGN bonds and Eurobonds, same as in the preceding half-year. Overall, the total number of securities issued (equities and debt) declined by 38.89 per cent to 11 from 18, while the aggregate value fell by 77.85 per cent to ₦614.25 billion from ₦2,773.06 billion.

Table 2.6: New Issues in the Nigerian Capital Market

Type	Number of Issues			Value of Issues (₦'Bn)		
	End-Dec 2024	End-Jun 2025	Change %	End-Dec 2024	End-Jun 2025	Change %
IPO	0	0	0.00	0.00	0.00	0.00
Public Offer/Offer for Sale	3	0	-100.00	612.44	0.00	-100.00
Private Placements	2	2	0.00	75.34	30.38	-59.67
Rights Issues	11	4	-63.64	2,066.78	421.73	-79.59
Total Equities	**16**	**6**	**-62.5**	**2,754.56**	**452.11**	**-83.59**
Corporate Bonds	2	5	150.00	18.50	162.14	776.43
Sub-national Bonds	0	0	0.00	0.00	0.00	0.00
FGN Bonds	0	0	0.00	0.00	0.00	0.00
Eurobond	0	0	0.00	0.00	0.00	0.00
Total Debt	**2**	**5**	**150.00**	**18.50**	**162.14**	**776.43**
Total (Equities & Debt)	**18**	**11**	**-38.89**	**2,773.06**	**614.25**	**-77.85**

Source: SEC, DMO

2.3.3.2. Equities Market

The Nigerian Exchange All Share Index (NGX ASI) rose by 16.57 per cent to 119,978.57 index points from 102,926.40 index points at end-December 2024. The total value of equities traded rose by 49.68 per cent to ₦2,096.62 billion in 1,838,344 deals, compared with ₦1,444.93 billion in 1,192,388 deals in the second half of 2024. Total equity volume increased to 76.31 billion shares from 68.20 billion in the preceding half year, reflecting deepening market participation.

Equity market capitalisation rose by 21.02 per cent to ₦75,950.00 billion from ₦62,760.00 billion at end-December 2024. Similarly, government debt capitalisation expanded by 10.04 per cent, showing continued fiscal borrowing and strong investor demand for government securities. Corporate debt capitalisation grew modestly by 3.57 per cent, highlighting cautious optimism in private-sector debt instruments amid tight monetary conditions. Overall, the increase in the NGX ASI and market capitalisation reflected sustained investor confidence in the local bourse.

Table 2.7: Nigerian Exchange Limited Indices, ASI and Equity Market Capitalisation

Description	End-Dec 2024	End-Jun 2025	Change (%)
NGX All-Share Index (Pts)	102,926.40	119,978.57	16.57
Equity Market Capitalisation (₦Tr)	62.76	90.40	44.04
NGX Main-Board Index	4,988.79	119,978.57	2,304.96
NGX 30 Index	3,811.94	5,888.97	54.49
NGX CG Index	2,814.39	4,423.04	57.16
NGX Premium Index	9,719.75	3,436.94	-64.64

NGX Banking Index	1,084.52	11,576.85	967.46
NGX PENSION INDEX	4,521.13	1,280.41	-71.68
NGX Insurance Index	718.00	5,798.71	707.62
NGX ASeM Index	1,583.71	755.52	-52.29
NGX-AFR Bank Value Index	2,467.38	1,595.12	-35.35
NGX AFR Div Yield Index	16,642.63	2,957.78	-82.23
NGX MERI GROWTH INDEX	6,490.69	19,489.91	200.27
NGX MERI VALUE INDEX	10,375.32	8,149.49	-21.45
NGX Consumer Goods Index	1,731.67	11,150.56	543.92
NGX Oil/Gas Index	2,712.06	2,635.86	-2.81
NGX Lotus Islamic Index	6,955.89	2,437.47	-64.96
NGX Industrial Index	3,572.17	9,229.65	158.38
NGX Growth Index	7,762.86	3,638.15	-53.13
NGX Sovereign Bond Index	601.54	9,420.18	1466.01
NGX Pension Board	1,826.89	653.01	-64.26
NGX Commodity Index		1,047.21	100.00

Source: NGX Reports

2.3.3.3. Foreign and Domestic Participation

Foreign portfolio inflow to the equities market totalled ₦559.25 billion, indicating a 41.08 per cent increase from ₦396.41 billion in the preceding half-year. Similarly, foreign portfolio outflow rose by 26.44 per cent to ₦576.09 billion from ₦455.62 billion in the second half of 2024, resulting in a net outflow of ₦16.84 billion, compared with a net outflow of ₦59.21 billion in the preceding period. The moderation in net outflow reflected improved investor sentiment following regulatory reforms and global monetary easing. Domestic transactions increased by 14.47 per cent to ₦3,057.88 billion. Consequently, total equity transactions increased by 40.58 per cent to ₦4,193.22 billion from ₦2,982.87 billion in the preceding half-year.

Table 2.8: Foreign and Domestic Portfolio Participation in Equities Trading

Transaction Type (₦'B)	Jan-Dec 2023 (a)	Jan-Dec 2024 (b)	Jan-Jun 2024 (c)	Jul-Dec 2024 (d)	End- June 2025 (e)	%change (d&e)
Total Equity transactions	3,577.96	5,586.97	2,604.10	2,982.87	4,193.22	40.58
Foreign portfolio transaction	410.62	852.03	540.8	311.55	1,135.34	264.42
Foreign (%)	11.48	16.75	20.75	10.44	27.08	159.39
Domestic transactions	3,167.34	4,734.94	2,063.62	2,671.32	3,057.88	14.47
Domestic (%)	88.52	84.75	79.25	89.56	72.92	-18.58

Foreign inflow	174.8	396.41	229.07	167.34	559.25	234.2
Foreign outflow	235.82	455.62	311.41	144.21	576.09	299.48
NGX-ASI	74,773.77	102,926.40	100,057.49	102,926.40	119,978.57	90.65

Source: NGX

2.3.3.4. National Association of Securities Dealers OTC Market

The National Association of Securities Dealers (NASD) OTC Market maintained a positive trajectory in the first half of 2025, as the Unlisted Securities Index rose by 9.76 per cent, reaching 3,347.43 points from 3,049.90 points at end-December 2024.

Market capitalisation rebounded by 87.45 per cent to ₦1,960.09 billion, reversing the decline recorded in December 2024. This recovery suggests renewed investor confidence, re-listing and valuation adjustments. However, trading activity showed mixed trends as the number of deals fell by 44.62 per cent to 3,119 from 5,632, indicating reduced transaction frequency while, volume traded surged by 172.16 per cent to ₦5.46 billion, suggesting concentration in high-volume, low-value securities.

Despite the increase in volume, the total value of transactions declined by 75.51 per cent to ₦20.17 billion from ₦82.39 billion in the preceding half-year. This reflected a shift toward lower-priced instruments and reduced liquidity in premium securities.

Table 2.9: Transactions on the NASD OTC Market

OTC Market	End-Jun 2024	End-Dec 2024	End-Jun 2025	% change
Unlisted Index (Points)	1,533.00	3,049.90	3,347.43	9.76
MKT cap (₦'bn)	2,100.74	1,045.65	1,960.09	87.45
Deals	3,176.00	5,632.22	3119	-44.62
volume traded (Million)	961.27	2,007.11	5,462.52	172.16
Total value (₦'mn)	21,617.76	82,390.53	20,174.89	-75.51

Source: NASD

2.3.3.5. Debt Market

Total public debt outstanding stood at ₦152,398.61 billion (33.76 per cent of GDP), representing a 5.35 per cent increase above the level at end-December 2024. The rise was due to new borrowings from domestic and external sources to part-finance the 2025 budget deficit. A breakdown of the consolidated public debt showed that domestic debt at ₦80,551.03 billion accounted for 52.86 per cent, while external debt at ₦71,847.59 billion constituted 47.14 per cent. Of the consolidated public debt stock, FGN owed ₦145,040.17 billion (95.17 per cent), while state governments owed the balance (Appendix 6).

The stock of FGN domestic debt outstanding rose to ₦76,587.10 billion from ₦70,409.86 billion in the second half of 2024, indicating an increase of 8.77 per cent. The rise was mainly attributed to the new issuances of NTBs, FGN Bonds, FGN Green Bonds, Sukuk and FGN Savings Bonds.

Table 2.10: Public Debt Stock by Instrument

Instrument	End-Jun 2024 (₦' bn)	End-Dec 2024 (₦' bn)	End-Jun 2025 (₦' bn)	% Change (Dec 2024-End-Jun 2025)	Proportion of Total (End-Jun 2025)
(a) Federal Government	**66,957.88**	**70,409.86**	**76,587.10**	**8.77**	**50.25**
Nig. Treasury Bills	11,808.18	12,351.12	12,764.08	3.34	8.38
FGN Bonds	52,315.23	55,436.12	60,645.22	9.40	39.79
FGN Savings Bonds	55.20	72.87	91.53	25.61	0.06
FGN Sukuk	1,092.56	992.56	1,292.56	30.22	0.85
FGN Green Bonds	15.00	15.00	62.36	315.73	0.04
Nig. Treasury Bonds	-	-	-	-	-
FGN Promissory Notes	1,671.71	1,542.19	1,731.36	12.27	1.14
(b) Sub-National	**4,267.11**	**3,968.06**	**3,963.93**	**- 0.10**	**2.60**
Total Domestic Debt	**71,224.99**	**74,377.92**	**80,551.03**	**8.30**	**52.86**
(c) External	**63,072.68**	**70,287.53**	**71,847.59**	**2.22**	**47.15**
Multilateral	31,792.78	34,263.33	35,464.36	3.51	23.27
Bilateral	8,656.09	9,350.79	9,488.61	1.47	6.23
Commercial	22,226.86	26,589.17	26,483.40	- 0.40	17.38
Syndicated Loan	396.95	84.24	411.20	388.13	0.27
Total Debt	134,297.67	144,665.45	152,398.62	5.35	100.00

Source: *Debt Management Office (DMO). DMO figures represent sovereign debt outstanding by instrument and are used for stock levels (FGN Bonds, NTBs, Savings Bonds, FGN Sukuk).*

2.3.3.6. Bonds – Primary Market

The outstanding stock of FGN bonds increased by 9.40 per cent to ₦60,645.22 billion from ₦55,436.12 billion at end-December 2024, reflecting sustained sovereign borrowing during the review period.

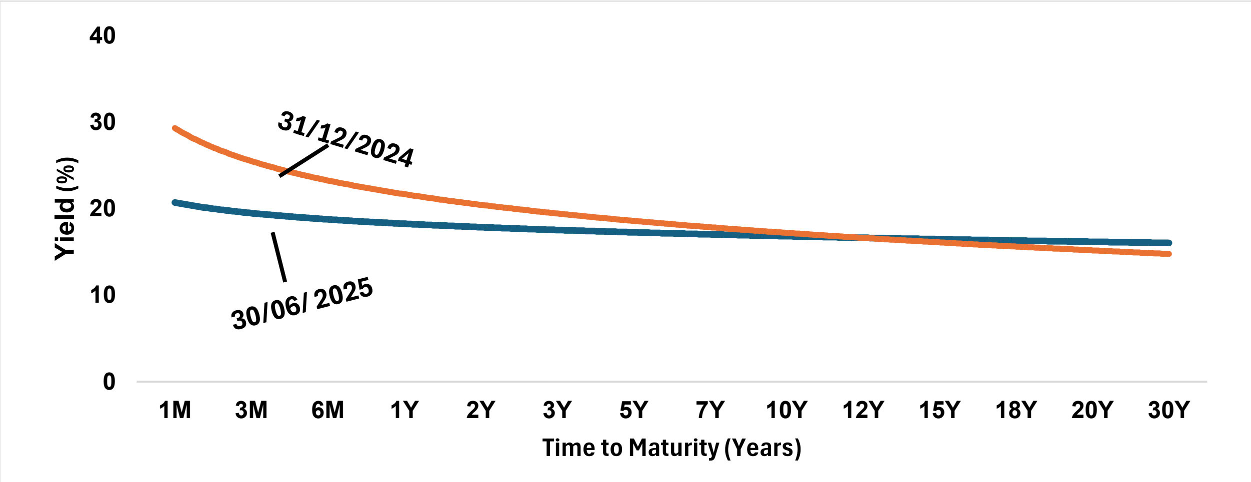
2.3.3.7. New Issues, Maturities and Outstandings

2.3.3.7.1. FGN Bonds

FGN bonds amounting to ₦1,850.00 billion were offered, compared with ₦1,100.00 billion in the second half of 2024. Public subscriptions totalled ₦4,367.70 billion, compared with ₦2,192.45 billion, while sales stood at ₦2,856.70 billion, compared with ₦1,711.90 billion in the second half of 2024, indicating positive investor sentiment for sovereign securities.

The yield curve remained downward-sloping as in the preceding period. The curve indicated investors' expectations of future policy easing as inflationary pressures receded.

Figure 2.12 Yield Curve



Source: FMDQ-OTC Plc

2.3.3.7.2. FGN Savings Bonds

The FGN 2-year and FGN 3-year Savings Bonds valued ₦25.60 billion were offered and allotted, an increase of 12.57 per cent from ₦22.74 billion in the preceding half-year. Coupon rates ranged from 16.0460 to 18.7990 per cent, compared with 11.0330 to 18.4070 per cent in the second half of 2024. Bond maturities stood at ₦6.94 billion. Consequently, the outstanding stock rose to ₦91.53 billion at end-June 2025, compared with ₦72.87 billion in the preceding period.

2.3.3.7.3.FGN Green Bonds

The outstanding stock increased by 315.73 per cent to ₦62.36 billion from ₦15.00 billion at end-December 2024, reflecting renewed issuance of green instruments towards funding environmentally sustainable projects.

2.3.3.7.4.FGN Sukuk

FGN Sukuk issuances totalled ₦300.00 billion, raising the outstanding stock to ₦1,292.56 billion at end-June 2025, compared with ₦992.56 billion at end-December 2024, reflecting increased use of Sukuk to finance compliant-infrastructure projects.

2.3.3.7.5.Sub-National Debt

There were no new issues of sub-national debt in the review period. Outstanding sub-national debt declined by 0.10 per cent to ₦3,963.93 billion from ₦3,968.06 billion at end-December 2024, reflecting net redemptions during the period.

2.3.3.7.6.Corporate Bonds

Outstanding corporate bonds decreased marginally to ₦1,627.37 billion from ₦1,662.47 billion at end-December 2024. No new issuances were recorded, while the reduction was attributed to redemptions amounting to ₦35.10 billion.

2.3.3.7.7. External Debt

In addition to domestic borrowings, the external debt stock expanded by 2.22 per cent to ₦71,847.37 billion relative to ₦70,287.53 billion in the preceding period. This indicated new borrowings from multilateral and bilateral sources and exchange rate valuation effects.

Overall, the expansion in domestic and external debt reflected sustained borrowing to finance fiscal obligations amid a tight monetary policy environment.

2.3.3.8. Bonds - Secondary Market

The secondary bond market recorded a mixed performance during the review period, as FGN bond market capitalisation increased to ₦49,294.32 billion in June 2025 from ₦44,930.39 billion in December 2024, reflecting renewed investor confidence in sovereign debt instruments. However, State and Local Government bonds declined to ₦318.58 billion from ₦348.99 billion. Corporate bond market capitalisation also contracted marginally to ₦1,106.46 billion from ₦1,186.96 billion, suggesting weaker sentiment toward corporate debt. Overall, the total bond market capitalisation rose to ₦49,294.32 billion in June 2025 from ₦46,466.35 billion in December 2024, driven primarily by gains in Federal Government bonds.

Investor participation in FGN bonds strengthened, as reflected in the increase in the number of deals, volume, and value of trades. The number of deals, volume and value rose to 10, 36,258 units and ₦35.42 billion from seven, 15,738 units and ₦15.78 billion, respectively, in December 2024. This underscored heightened liquidity and investor appetite for sovereign instruments. However, there was no trading activity in sub-national and corporate bonds during the review period, reinforcing the dominance of Federal Government securities in the Nigerian fixed-income market.

Table 2.11: Market Capitalisation (Debt Securities/Bonds)

Instrument	End-Dec 2024	End-June 2025	% Change
Supra-National	0	0	0
Federal (Nb)	44,930.39	49,294.32	9.71
State and Local (Nb)	348.99	318.58	-8.72
Corporate (Nb)	1,186.96	1,106.46	-6.78
Total Mkt Cap (Bonds) (Nb)	46,466.35	49,294.32	6.09
	FGN Bond		
Deal	7	10	42.86
Volume (M)	15,738.00	36,258.00	130.39
Value (N, M)	15,775.28	35,424.87	124.56

Source: SEC

2.3.3.9. Financial Market Dealers Quotation Exchange

Activities in the FMDQ OTC market were bullish, as the total number of deals and value of traded securities rose by 11.69 and 6.61 per cent to 93,533 and ₦70,256.89 billion, respectively.

The trend was largely driven by FGN bonds, OMO bills and foreign exchange products which rose by 78.75, 25.19 and 31.37 per cent to ₦4,716.74 billion, ₦15,729.89 billion and ₦24,634.12 billion, respectively. In contrast, repurchase agreements and NTBs declined by 24.16 and 34.15 per cent to ₦17,939.34 billion and ₦4,313.73 billion, respectively.

Table 2.12: FMDQ Market Size

Bonds	Number of Deals Traded			Face Value of Traded Securities (₦'bn)		
	End-Dec 2024	End-June 2025	% change	End-Dec 2024	End-June 2025	% change
FGN Bonds	4,731	3,939	-16.74	2,638.73	4,716.74	78.75
Agency Bonds	0	0	0	0	0	0
State/Municipal Bonds	0	0	0	0	0	0
Corporate Bonds	0	0	0	0	0	0
Supranational Bonds	0	0	0	0	0	0
Sukuk	36	99	175	59	250.12	323.93
Green Bond	0	0	0	0	0	0
Eurobonds	152	86	-43.42	113.69	63.86	-43.83
Short-term Bonds	604	399	-33.94	336.8	478.37	42.03
Treasury Bills (NTB)	7,457	5,747	-22.93	6,550.38	4,313.73	-34.15
OMO Bills	5,303	3,870	-27.02	12,564.68	15,729.89	25.19
Commercial Papers	0	0	0	0	0	0
Unsecured Placements/ Taking	5	12	140	11.4	21	84.21
Foreign Exchange Products	61,875	76,431	23.52	18,751.14	24,634.12	31.37
Repurchase Agreement/Buy Backs	3,134	2,720	-13.21	23,654.69	17,939.34	-24.16
Foreign Exchange Derivatives	446	230	-48.43	1,222.60	2,109.72	72.56
Promissory Notes	0	0	0	0	0	0
Money Market Derivatives	0	0	0	0	0	0
Total	**83,743**	**93,533**	**11.69**	**65,903.11**	**70,256.89**	**6.61**

In the first half of 2025, OTC transactions for FGN bonds recorded 22,701 deals valued ₦25,800.31 billion, while treasury bills deals and value were 47,276 and ₦40,465.52 billion, respectively. The development reflected sustained demand for short-term instruments amid evolving macroeconomic conditions.

Table 2.13: OTC Transactions for FGN Bonds and Treasury Bills

Security/Product	End-Dec 2024 Total Deals	End-Dec 2024 Total Value (₦'bn)	End-Jun 2025 Total Deals	End-Jun 2025 Total Value (₦'bn)	% Change in Total Deals	% Change in Total Value (₦'bn)
FGN Bonds	32,472	18,710.10	22,701	25,800.31	30.09	37.88
Treasury Bills	45,526	34,558.12	47,276	40,465.52	3.84	17.09

2.3.3.10. Mutual Funds

During the review period, the Net Asset Value (NAV) of registered collective investment schemes increased by 47.57 per cent to ₦5,870.69 billion from ₦3,978.26 billion, driven largely by Money Market Funds, which rose significantly by 77.92 per cent to ₦2,990.54 billion from ₦1,680.79 billion in the second half of 2024, reflecting investors' preference for liquid and low-risk assets in an uncertain environment. The Real Estate Funds posted a remarkable rise of 259.40 per cent to ₦359.22 billion, signalling greater interest in property-related investments. Equity Based Funds and Exchange Traded Funds recorded significant rise by 35.04 and 100.10 per cent, respectively. Developments in these segments of the market reflected an expanding and increasingly diversified investment landscape shaped by evolving investor preferences and macroeconomic dynamics.

Table 2.14: Collective Investment Schemes

Fund Type	Jun 2024 (₦ bn)	Dec 2024 (₦ bn)	May 2025 (₦ bn)*	% Change
Ethical Funds	5.19	5.88	6.01	2.16
Shariah Compliant Funds	48.04	52.35	58.60	11.93
Dollar Funds	1,444.00	1,708.64	1,940.42	13.57
Bond/Fixed Income Funds	232.70	196.30	208.28	6.10
Equity-Based Funds	28.74	31.20	42.13	35.04
Real Estate Funds	98.61	99.95	359.22	259.40
Money Market Funds	1,064.00	1,680.79	2,990.54	77.92
Balanced-Based Funds	50.39	54.72	60.95	11.39
Exchange Traded Funds	12.64	12.77	25.55	100.09
Infrastructure Funds	105.40	131.94	114.39	-13.30
Specialised Funds	—	3.72	64.60	1,636.64
Total	**3,088.00**	**3,978.26**	**5,870.69**	**47.57**

Source: SEC

The NGX Exchange-Traded Products showed that the Net Asset Value rose to ₦14,255.17 million from ₦12,540.43 million at end-December 2024, reflecting a 13.67 per cent increase**.** The number of unit holders also grew by 9.19 per cent to 2,697 from 2,470, while the total number of units declined by 0.91 per cent to 288,724,645.13 from 291,373,238.19.

Table 2.15: NGX Exchange-Traded Products

	Net Asset Value			Unit Holders			Number of Units		
	End-Dec 2024	End-Jun 2025	Change (%)	End-Dec 2024	End-Jun 2025	Change (%)	End-Dec 2024	End-Jun 2025	Change (%)
Exchange Traded Funds*	12,540.43	14,255.17	13.67	2,470	2,697	9.19	291,373,238.19	288,724,645.13	−0.91

Source: NGX

**ETPs include Exchange Traded funds and Exchange Traded Futures*

2.3.4. Commodities Market

The Nigerian commodities market experienced notable expansion during the review period, contributing to enhanced liquidity, improved price discovery mechanisms, and the promotion of financial stability. There was increased market participation and transaction volumes across various exchanges with the resumption of trading by Gezawa exchange and trading of new commodities on NCX. This reflected growing investor confidence and a strengthened alignment between the real sector and financial markets.

2.3.4.1. AFEX Commodities Exchange

Activity at the Africa Exchange (AFEX) slowed, as the total number of deals, volume and value declined by 54.23, 43.57 and 62.54 per cent to 1,504, 24,598.97 MT and ₦14,514.66 million from 3,286, 43,588.99 MT and ₦38,743.51 million, respectively, in the second half of 2024. This downturn was largely driven by the decline in the prices of paddy rice, soybean, sesame, and fixed-income instruments, reflecting structural and liquidity constraints.

The price of maize demonstrated relative resilience, posting a 14.88 per cent increase in the number of deals and 29.60 per cent rise in traded volume, although its transaction value fell marginally by 6.28 per cent to ₦9,790.42 million from ₦10,446.04 million, indicative of price reduction amid increased supply. Cocoa prices maintained near-stability with minimal fluctuations.

Financial instruments on agricultural commodities, such as spot and exchange-traded commodities, also contracted by 96.80 and 98.33 per cent in the number of deals and value, respectively, reflecting reduced investor appetite.

Table 2.16: Transactions on AFEX

Commodity	Total No. of Deals (H2 2024)	Total No. of Deals (H1 2025)	% Change	Total Volume MT (H2 2024)	Total Volume MT (H1 2025)	% Change	Total Value ₦M (H2 2024)	Total Value ₦M (H1 2025)	% Change
Cashew Nut	88	75	- 14.77	1.588	426.509	26,758.25	2.04	843.99	41,272.06
Cocoa	80	78	- 2.50	4.203	4.074	- 3.07	50.39	52.41	4.01
Ginger	-	-		-	-	-	-	-	
Maize	766	880	14.88	15,175.93	19,667.60	29.60	10,446.04	9,790.42	- 6.28
Paddy Rice	329	104	- 68.39	3,308.87	132.918	- 95.98	2,438.39	79.65	- 96.73
Sesame	21	11	- 47.62	0.33	0.032	- 90.30	0.64	0.064	- 90.00
Sorghum	137	137	-	5,050.07	2,961.35	- 41.36	4,608.35	2,360.31	- 48.78
Soybean	324	156	- 51.85	1,360.13	518.583	- 61.87	1,213.35	499.92	- 58.80
Fixed Income	1,541	63	- 95.91	18,687.87	887.9	- 95.25	19,984.31	887.90	- 95.56
Total	**3,286**	**1,504**	**- 54.23**	**43,588.99**	**24,598.97**	**- 43.57**	**38,743.51**	**14,514.66**	**- 62.54**

Source: AFEX

2.3.4.2. Lagos Commodities and Futures Exchange

Trading activity on the Lagos Commodities & Futures Exchange declined significantly in the first half of 2025 by 83.00 per cent to 35 deals. Similarly, volume traded fell by 93.00 per cent to 69 MT. The total value of trades also declined by 90.54 per cent, to ₦27.61 million.

Table 2.17: Lagos Commodities and Futures Exchange Transactions

Commodity	No. of Deals End-Dec 2024	Volume (MT) End-Dec 2024	Value (₦M) End-Dec 2024	No. of Deals End-Jun 2025	Volume (MT) End-Jun 2025	Value (₦M) End-Jun 2025	% Change (Value)
Paddy Rice	136	-	116.49	-	-	-	-
Eko Head Rice	33	-	55.67	22	-	20.13	-63.84
Eko Gold Coin	32	1,492	119.59	13	69	7.48	-93.75
Total	**201**	**1,492**	**291.76**	**35**	**69**	**27.61**	**-90.54**

Source: SEC

2.3.4.3. Nigeria Commodity Exchange

Trading activity on the Nigeria Commodity Exchange (NCX) surged in the first half of 2025, with 26 deals executed, compared to five at end-December 2024. The traded volume rose to 6,031.07 MT from 145.74 MT, while the total value increased significantly to ₦2.84 billion from ₦108.55 million. Commodities such as Soybean, Wheat, Sesame, Millet, and Sorghum resumed trading in the market, following months of inactivity, reflecting diversification.

Table 2.18: Nigeria Commodities Exchange Transactions

Commodity	Total No. of Deals (H2 2024)	Total No. of Deals (H1 2025)	% Change	Total Volume MT (H2 2024)	Total Volume MT (H1 2025)	% Change	Total Value ₦M (H2 2024)	Total Value ₦M (H1 2025)	% Change
Maize	3	17	467.00	90	5,669.60	—	68.70	2,579.69	3,655
Paddy Rice	2	-	—	55.74	-	—	39.85	-	—
Soybean	-	2	—	-	40.79	—	-	35.32	—
Wheat	-	1	—	-	200.00	—	-	133.40	—
Sesame	-	2	—	-	20.06	—	-	29.96	—
Millet	-	2	—	-	98.08	—	-	55.33	—
Sorghum	-	2	—	-	2.49	—	-	10.35	—
Total	**5**	**26**	**420.00**	**145.74**	**6,031.07**	—	**108.55**	**2,844.05**	**2,520**

Source: SEC

2.3.4.4. Gezawa Commodity Exchange

During the period, Gezawa Commodity Exchange (GCX) recorded strong performance, with 1,174 deals executed across five commodities, amounting to 15,159.75 metric tonnes and a total trade value of ₦29.83 billion. Soybean led in value with ₦23.6 billion, followed by rice and maize, which contributed over ₦5.25 billion. Sorghum and hibiscus recorded moderate trading activity, indicating growing market interest.

Table 2.19: Gezawa Commodities Exchange Transactions

		End-Dec 2024			End-Jun 2025			
S/N	Commodity	No. of Deals	Volume (MT)	Value (₦)	No. of Deals	Volume (MT)	Value (₦ Billion)	% change in value
1	Maize	-	-	-	332	4,827.88	2.51	-
2	Rice	-	-	-	317	5,225.84	2.74	-
3	Sorghum	-	-	-	170	1,474.56	0.42	-
4	Hibiscus	-	-	-	65	336.12	0.55	-
5	Soybean	-	-	-	290	3,295.35	23.61	-
	TOTAL	-	-	**-**	**1,174**	**15,159.75**	**29.83**	**-**

2.3.5. Digital Assets Market

The Securities and Exchange Commission (SEC) granted "approval-in-principle" to Busha Digital Limited and Quidax Technologies Limited to commence operations under Nigeria's Accelerated Regulatory Incubation Programme (ARIP). This provisional authorisation formally designates Busha and Quidax as Virtual Asset Service Providers (VASPs) and Digital Asset Exchanges.

2.3.5.1. Busha Exchange

Activities at the Busha Exchange in the first half of 2025 were robust. The number of deals, volume and value were 729,876, 18.37 billion units and ₦119.10 billion, respectively. The NGN segment dominated with ₦22.74 billion in value, 5.06 billion units in volume, and 151,113 deals, largely driven by BTC (₦12.57 billion), USDT (₦5.50 billion), and ETH (₦1.19 billion). Market trends indicated strong liquidity concentration in BTC (55.00 per cent) and USDT (24.00 per cent).

Table 2.20: Summary of Busha Transaction

Month	Total Deals	Change %	Total Volume	Change %	Total Value (₦'Billion)	Change %
January 2025	151,113	–	5.06	–	22.74	–
February 2025	83,129	-44.99	2.01	-60.19	12.24	- 46.18
March 2025	117,720	41.61	2.22	10.51	18.54	51.48
April 2025	125,889	6.94	2.83	27.04	21.53	16.12
May 2025	130,260	3.47	2.91	2.80	22.82	5.98
June 2025	121,765	- 6.52	3.35	15.11	21.23	- 6.96
Total	**729,876**		**18.37**		**119.10**	

2.3.5.2. QUIDAX Exchange

Quidax Exchange recorded substantial trading activity with an aggregate of 703,287 deals, 89.45 billion in volume and ₦143.10 billion in value of USDT 22.38 billion. Market performance was highly concentrated, with Bitcoin accounting for approximately 50.00 per cent of total value, followed by USDT Tether (31.00 per cent), while Solana, XRP, and Ethereum contributed marginal shares. The indicative market capitalisation for the period, proxied by total turnover, stood at USDT 22.38 billion, with Bitcoin and USDT as the primary liquidity anchors of the Exchange.

Table 2.21: Summary of QUIDAX Transactions

Month	Total Deals	Change %	Total Volume	Change %	Total Value (₦'bn)	Change %
January 2025	136,792	–	21.42	–	22.38	–
February 2025	101,517	-25.79	13.58	-36.58	19.48	-12.96

March 2025	111,390	9.73	14.66	7.97	22.29	14.44
April 2025	116,917	4.96	16.96	15.67	28.34	27.14
May 2025	114,906	-1.72	19.48	14.87	29.39	3.74
June 2025	121,765	5.97	3.35	- 82.83	21.23	- 27.78
Total	**703,287**		**89.45**		**143.10**	

Source: SEC

Box 1: Digital Assets

Digital assets form a rapidly evolving market segment that intersects with traditional finance and regulatory frameworks. Digital assets—often referred to as cryptocurrencies or crypto-assets—are digital representations of value recorded on cryptographically-secured distributed ledgers (blockchains). These include tokens used for various purposes, such as payments, governance, decentralized applications, decentralized finance (DeFi), and utility functionalities. Their growing integration with traditional financial products creates new policy, legal, and market challenges.

Nigeria ranks 6th globally in crypto adoption (Chainalysis 2025), with over 22 million Nigerians—approximately 10.30 per cent of the population—owning crypto assets, a figure significantly above the global average of 6.80 per cent; and with a projection of 28.7 million users by 2026. Other trend analysis shows that usage patterns reflect a strong demand for hedging against inflation, remittances, and active participation in decentralized finance (DeFi) ecosystems through staking and yield farming. The predominant crypto-native Nigerians are young, aged 18–34, comprising 87.00 per cent of users, with male participation at 92.00 per cent.

The ISA, 2025, formally recognises digital and virtual assets as securities under the SEC regulation. The new Law repeals the earlier Investments & Securities Act No. 29 of 2007, giving the SEC explicit jurisdiction over digital and virtual assets. Section (3) of the ISA, 2025 confers the SEC with powers as the apex regulatory authority for the Nigerian capital markets, with the objectives of ensuring protection of investors, market integrity, systemic stability and development of the Nigerian Capital Markets. Subsections (3)(b)(i) and (4)(z) specifically mandate the SEC to register and regulate, amongst others virtual and digital assets, virtual and digital assets exchanges, service providers and platform operators, as well as to promote innovations in the capital market.

2.4. Securities and Exchange Commission Regulatory and Supervisory Activities

During the review period, the Securities and Exchange Commission (SEC) carried out the following activities.

2.4.1. Enactment of the Investment and Securities Act 2025

The Investment and Securities Act (ISA) 2025 was enacted in March 2025, repealing the ISA 2007. The Act strengthens the regulatory capacity of the SEC, expands its oversight to digital asset platforms, and criminalises fraudulent investment schemes, such as Ponzi operations.

2.4.2. Rules for Private Company Debt Issuance

Rules permitting private companies to issue debt securities via public offers were introduced, while equity offerings remain restricted. Issuance is capped at three per year, with a maximum aggregate value of ₦15 million, beyond which re-registration as a public company is required. The rules enhance oversight of private sector participation in public debt markets.

2.4.3. Sensitisation Campaigns

The SEC sustained its nationwide sensitisation campaigns, cautioning the public against the dangers of patronising Ponzi, fraudulent, and unregistered investment schemes.

The ISA 2025 and sensitisation efforts underscore the Commission’s proactive approach to strengthening supervision, promote financial literacy and reduce investor vulnerability in the capital market.

2.5. Real Sector Initiatives

The Bank sustained its advisory role while intensifying efforts towards the recovery of outstanding intervention funds. Total recoveries in the first half of 2025 amounted to ₦313.19 billion, a 20.56 per cent decrease, compared with ₦394.24 billion in the second half of 2024 (Appendix 7).

2.6. Financial Inclusion and Institutional Support

2.6.1. Financial Inclusion

The National Financial Inclusion Strategy (NFIS) serves as Nigeria's principal policy framework aimed at achieving targets in credit, savings, payments, insurance, and pensions. It also sets strategic goals to reach a 95.00 per cent financial inclusion rate.

At end-June 2025, the percentage of financially included Nigerians stood at 74.00 per cent. New BVN enrolments was 1,145,722 at end-June 2025, of which 719,842 (45.89 per cent) were female customers, highlighting gender inclusion. Additionally, 69,094 new agents were onboarded under the SANEF expansion scheme, bringing the total to 2,021,338 and increasing access points to 1,903 per 100,000 adults, further deepening financial access nationwide.

These achievements underscore the impact of strategic partnerships and targeted initiatives in expanding access to financial services nationwide.

Table 0.1: Key Financial Inclusion Indicators

Indicator	End-Dec 2024	End-Jun 2025
New BVN Registration	2,420,595	1,145,735
New BVN Registration (Female)	2,015,551	719,842
Total No. of Onboarded (New) Agents	125,154	69,094
Indicator	**End-Dec 2024**	**End-Jun 2025**
Total BVN	64,804,993	65,950,728
Total Agents	1,952,242	2,021, 338

Source: NIBSS

2.6.2. National Financial Inclusion Governance Committee Meetings

During the review period, the National Financial Inclusion Secretariat (NFIS) established a governance structure comprising a Steering Committee chaired by the Governor, a Technical Committee chaired by the Deputy Governor, Financial System Stability (FSS), and four Working Groups: Products, Channels, Literacy, and Interventions.

The Technical Committee and Working Groups focused on the following:

a) Expansion of fixed and mobile broadband infrastructure to deepen broadband penetration in Nigeria.
b) Creation of a framework for a centralised complaints management platform for policyholders to submit complaints and track resolution status by the insurance sector.
c) Establishment of and planned rollout of the Open Banking Registry.
d) Improved access to credit through the Secured Transactions in Movable Assets (STMA), and
e) Combating e-fraud through telecommunication platforms.

2.6.3. Digital Finance Services and Agent Networks

The Bank advanced Digital Finance Services (DFS) adoption by linking Payment Service Providers with aggregators, enforcing monthly transaction reporting, and mandating corporate name display on digital platforms to enhance trust. Furthermore, the activities of the Payment Service Banks and USSD deployment further expanded access, especially in rural areas.

Consequently, in the first half of 2025, there were 69,094 new agents, bringing the total to 2,021,338, reflecting greater access to financial services. At end-June 2025, 83.00 per cent of adults with transactional accounts use DFS (up from 60 per cent in 2020).

2.6.4. Financial Literacy and Consumer Education

The Bank continued to promote financial inclusion and responsible financial behaviour through targeted financial literacy and consumer education initiatives. These efforts focused on improving public awareness and understanding of financial products, services, and consumer rights. Key activities included:

2.6.4.1. SabiMONI Platform

Total enrolment on the financial literacy e-learning platform rose by 2.81 per cent to 12,660 from 12,314 at end-December 2024, reflecting continued engagement with the platform towards deepening financial inclusion.

2.6.4.2. Global Money Week

As part of the 2025 Global Money Week (GMW) celebrations, the Bank, in collaboration with the Bankers' Committee Sub-Committee on Financial Literacy and Public Enlightenment, and other stakeholders, organised a series of activities aimed at promoting financial education among youths. The programme had a total of 10,607 participants, with 52.00 per cent being female.

2.6.4.3. Financial Literacy Training for Faith-Based Organisations

The Bank conducted a Training-of-Trainers programme for 47 members of a faith-based association, with participants aged 18 years and above. This initiative reflected the Bank's commitment to deepening financial literacy and inclusion across diverse socio-religious communities.

2.6.5. National Collateral Registry

The number of financing statements and borrowers declined by 6.40 and 5.60 per cent to 37,054 and 39,901, respectively. Individuals remained the largest category of borrowers utilising the Secured Transactions in Movable Assets, followed by medium-sized businesses.

However, the value of Naira-denominated financing statements increased by 29.70 per cent to ₦1,181.52 billion from ₦911.05 billion at end-December 2024, reflecting increasing number of large-ticket transactions secured with movable assets. In contrast, USD-denominated financing statements fell by 23.40 per cent to $160.64 million from $209.64 million.

Table 0.2: Transactions on the National Collateral Registry Portal

	Currency	

Debtor Type	Number of Financing Statements		Number of Borrowers			Value of Financing Statements	
	End-Dec 2024	End-Jun 2025	End-Dec 2024	End-Jun 2025		End-Dec 2024	End-Jun 2025
Individual	34,214	32,365	35,940	33,943	(₦ billion)	217.874	469.23
					(US$ million)	0.10	0.266
Large Business	368	583	520	854	(₦ billion)	443.44	533.09
					(US$ million)	56.26	160.09
					(€ million)	-	6.02
Medium Business	2,841	2,620	3,318	3,332	(₦ billion)	215.99	126.12
					(US$ million)	14.20	0.281
Micro Business	186	166	318	249	(₦ billion)	2.99	3.00
Small Business	1,969	1320	2,165	1523	(₦ billion)	30.75	50.07
					(US$ million)	139.06	-
Total	**39,578**	**37,054**	**42,261**	**39,901**	(₦ billion)	**911.05**	**1,181.52**
					(US$ million)	**209.64**	**160.64**
					(€ million)		**6.02**

The number of financing statements for Women and Women Business Enterprises (WWBEs) decreased by 6.64 per cent to 14,904 from 15,964 at end-December 2024, and the number of WWBE borrowers decreased by 10.47 per cent to 15,684 from 17,519 in the second half of 2024.

Table 0.3: Women and Women-owned Enterprises Transactions on the National Collateral Registry

Debtor Type	Number of Financing Statements		Number of Women and Women-owned Enterprises		Value of Financing Statement (₦'Billion)	
	End-Dec 2024	End-Jun 2025	End-Dec 2024	End-Jun 2025	End-Dec 2024	End-Jun 2025
Individual	15,797	14167	16,341	14,714	108.48	80.63
Large Business	51	76	73	117	1.93	1.56
Medium Business	530	407	620	538	8.20	8.22
Small Business	361	27	420	39	0.34	0.36
Micro Business	35	231	65	276	3.13	3.23
Total	**15,964**	**14,904**	**17,519**	**15,684**	**122.08**	**94.00**

Cumulatively, a total of 862 financial institutions had registered 485,917 financing statements, valued ₦23.40 trillion, US$ 4.41 billion, €18.95 million, and £27.35 million. The value of financing statements registered by type of secured creditor showed that DMBs had the largest value in naira and USD denominations.

Table 0.4: Value of Financing Statements by Type of Secured Creditor

S/N	Type of Secured Creditor	Value of Financing Statements
		(₦)
1	Deposit Money Banks (DMBs)	585.09
2	Finance Houses (FHs)	10.96
3	Micro Finance Bank (MFB)	435.40
4	Non-Bank Financial Institutions (NBFIs)	149.03
	Total	**1,180.48**
		(US$)
1	Deposit Money Banks (DMBs)	0.14
2	Finance Houses (FHs)	
3	Non-Bank Financial Institutions (NBFIs)	0.03
	Total	**0.16**
		(£)
1	Non-Bank Financial Institutions (NBFIs)	0.01
	Total	**0.01**

3. CENTRAL BANK REGULATORY AND SUPERVISORY ACTIVITIES

3.1. Financial Soundness Indicators

Generally, the banking industry[2] remained stable and sound as reflected by key financial soundness indicators during the review period. Although asset quality marginally declined, the solvency ratio remained robust, capable of absorbing potential losses. Liquidity was sustained at a level above the regulatory threshold, while the industry remained profitable,

[2] Commercial, Merchant and Non-Interest Banks

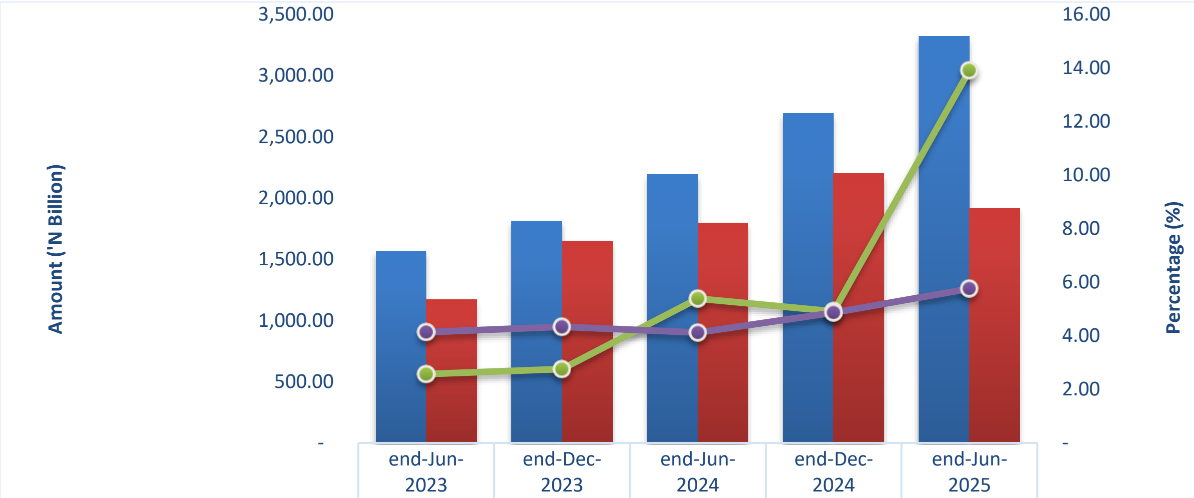
with significant profits generated from core operations, highlighting banks' operational efficiency and financial strength (Appendix 8).

3.1.1. Asset-Based Indicators

3.1.1.1. Non-Performing Loans Ratio

The non-performing loans (NPLs) ratio increased to 5.76 per cent, above the regulatory benchmark of 5.00 per cent and 4.87 per cent recorded at end-December 2024. In addition, the ratio of NPLs net of provisions to capital increased to 13.90 per cent from 4.91 per cent at end-December 2024. The ongoing recapitalisation exercise of banks and sustained GSI implementation were expected to bolster loss-absorption buffers and preserve banking system stability.

Figure 3.1 Banking Industry NPLs Ratio

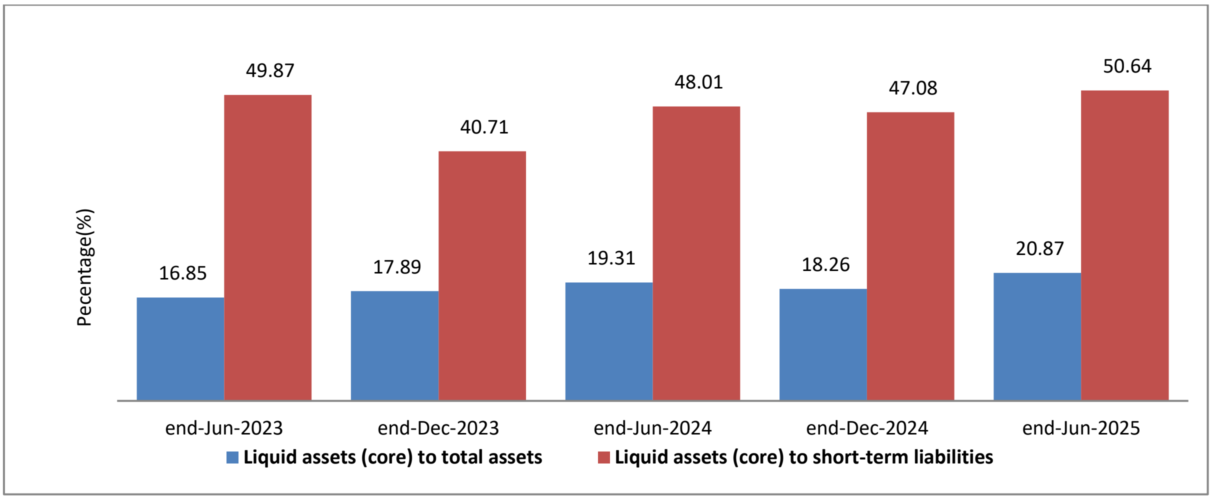


	end-Jun-2023	end-Dec-2023	end-Jun-2024	end-Dec-2024	end-Jun-2025
NPLs-LHS	1,565.71	1,814.25	2,192.63	2,693.34	3,321.17
Specific Provisions-LHS	1,172.25	1,650.81	1,797.13	2,200.79	1,916.83
NPLs net provisions to capital	2.57	2.76	5.39	4.91	13.90
NPL to Gross Loans	4.14	4.34	4.12	4.87	5.76

3.1.1.2. Core Liquid Assets to Total Assets and Short-term Liabilities

The ratio of core liquid assets to total assets increased by 2.61 percentage points to 20.87 per cent from 18.26 per cent at end-December 2024, driven mainly by a significant rise in core liquid assets, which outweighed the increase in total assets. Similarly, the ratio of core liquid assets to short-term liabilities rose by 3.56 percentage points to 50.64 per cent, largely due to the growth in liquid assets. These ratios were robust, reflecting the adequacy of the banking industry liquidity buffer.

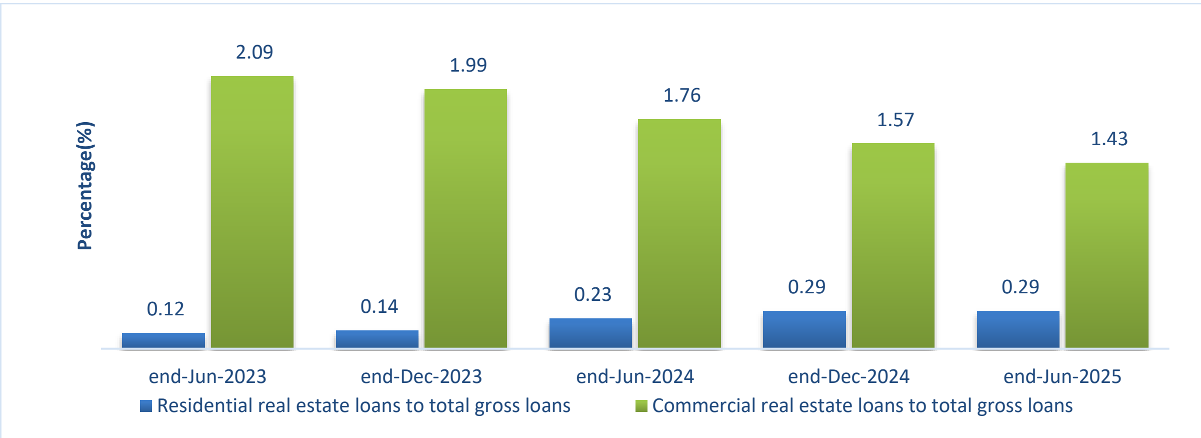
Figure 3.2 Banking Industry Liquidity Indicators



3.1.1.3. Credit to Real Estate Sector

The ratio of residential real estate loans to total gross loans remained at 0.29 per cent, while the ratio of commercial real estate loans to total gross loans declined by 0.14 percentage point to 1.43 per cent from 1.57 per cent at end-December 2024. This indicates banks' cautious stance toward real estate exposures.

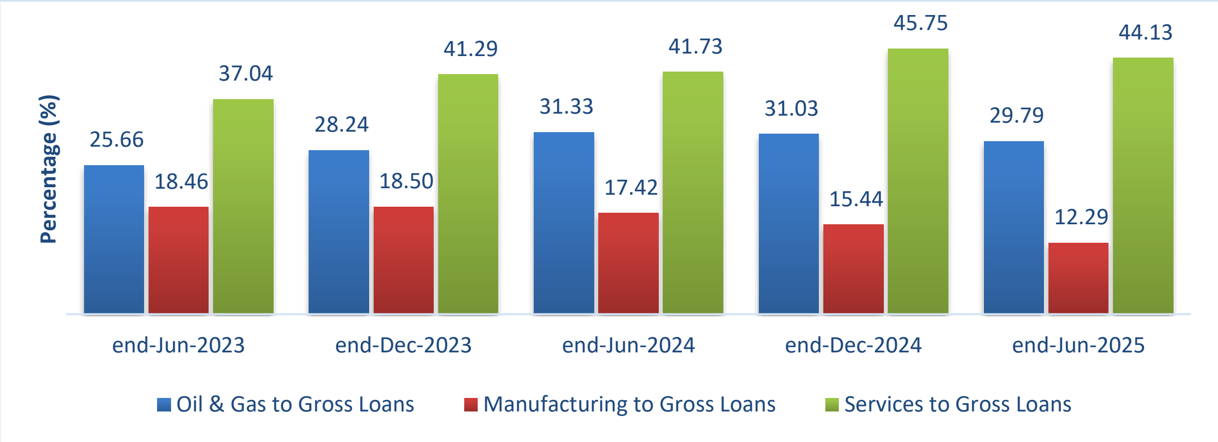
Figure 3.3 Exposure to Real Estate Sector



3.1.1.4. Exposure to Oil & Gas, Manufacturing and Services Sectors

The banking industry's exposure to the services, oil & gas, and manufacturing sectors as a share of gross loans declined by 1.62, 3.14, and 1.24 percentage points to 44.13, 29.79, and 12.29 per cent, respectively. The reduction was largely driven by FX market stability, which moderated prior revaluation gains.

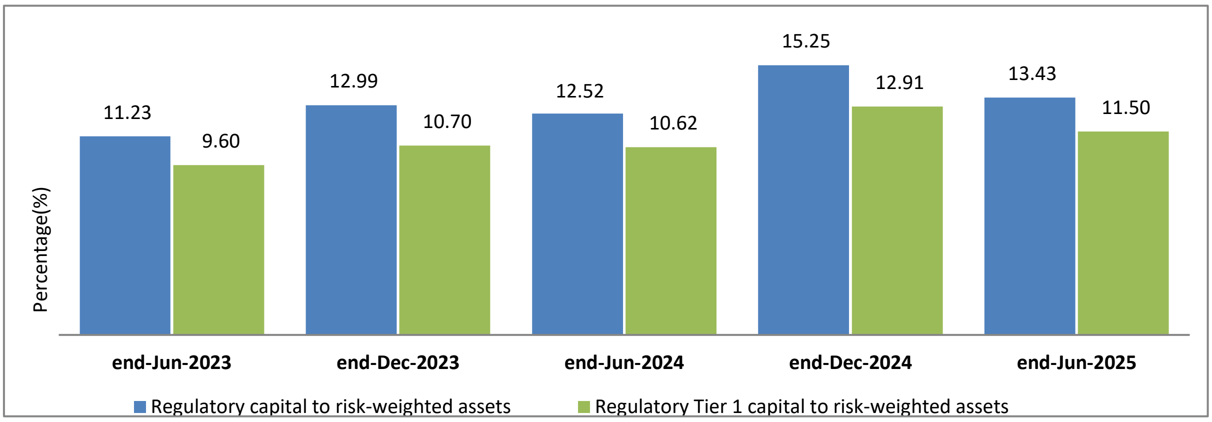
Figure 3.4 Exposure of Banking System to Oil & Gas, Manufacturing and Services[3]



3.1.2. Capital-Based Indicators

The capital adequacy ratio of the banking sector remained above the regulatory threshold, although it declined to 13.43 per cent from 15.25 per cent at end-December 2024. Tier-1 capital to risk-weighted assets declined to 11.50 per cent from 12.91 per cent in the second half of 2024, driven by the rise in risk-weighted assets that outpaced the increase in regulatory capital. Overall, the banking industry capital buffer was robust to absorb shocks.

Figure 3.5 Banking Industry Capital Adequacy Indicators



*Note: *The ratios are computed based on IMF-FSI Manual*

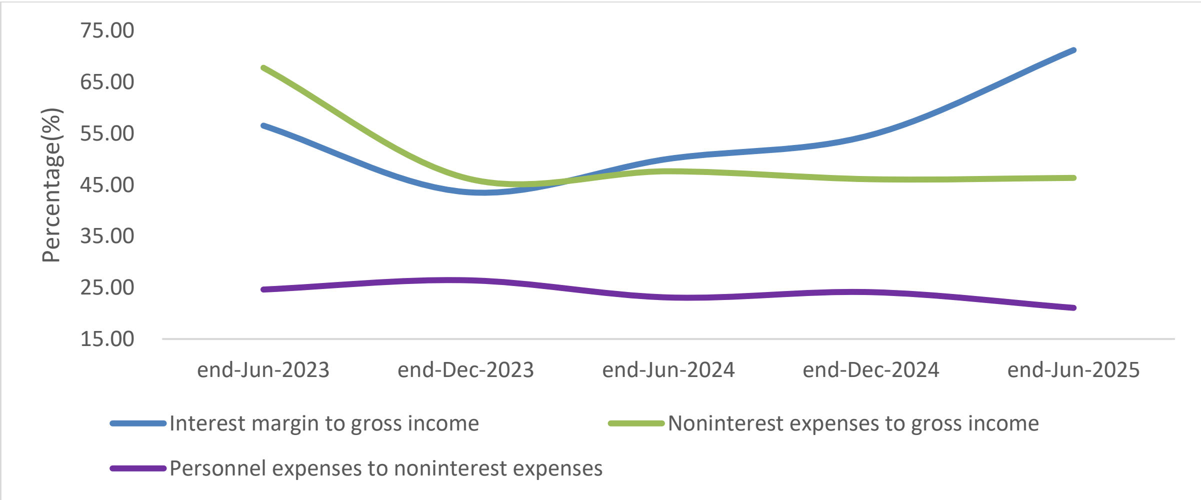
3.1.3. Income and Expense Ratios

The industry's profitability remained robust, underpinned by a substantial rise in net interest margins to 71.25 per cent from 54.73 per cent at end-December 2024, reflecting stronger interest income relative to gross income. On the cost side, non-interest expenses as a share

[3] *Services include: Real Estate, Finance, Insurance & Capital Market, Education, Upstream and Oil & Gas Services, Power Transmission and Distribution, Information & Communication, Transportation & Storage, General and Others*

of gross income inched up to 46.37 per cent from 46.10 per cent in the second half of 2024, suggesting a marginal rise in operating costs despite efficiency gains.

Figure 3.6 Income and Expense Ratios



3.2. Other Financial Institutions[4]

Generally, the other financial institutions recorded increases in total assets and capital positions. However, the asset quality of the OFI subsector declined.

3.2.1. Development Finance Institutions

The total assets of Development Finance Institutions (DFIs) increased by 9.28 per cent to ₦9,391.44 billion from ₦8,593.85 billion at end-December 2024, driven largely by growth in placements, investments, and net loans and advances.

The rise in assets was mainly funded by increases in deposits, borrowings, and shareholders' funds, which grew by 11.59, 13.02 and 30.87 per cent to ₦879.94 billion, ₦6,071.31 billion and ₦993.66 billion, respectively, in the first half of 2025. In contrast, 'other liabilities' declined by 18.62 per cent to ₦1,236.19 billion.

The CAR and LR remained above the minimum regulatory benchmarks of 10 and 20 per cent at 17.75 and 320.75 per cent, respectively. Furthermore, the NPL ratio improved to 17.92 per cent from 18.24 per cent at end-December 2024. The improvement in the NPL ratio was attributed to enhanced operational efficiency, increased loan recoveries and strengthened credit risk management practices.

Figure 3.7 Consolidated Balance Sheet of DFIs

[4] Other Financial Institutions (OFIs) refer to Microfinance Banks, Development Finance Institutions, Primary Mortgage Banks and Finance Companies.

Figure 3.8 Total Assets of DFIs

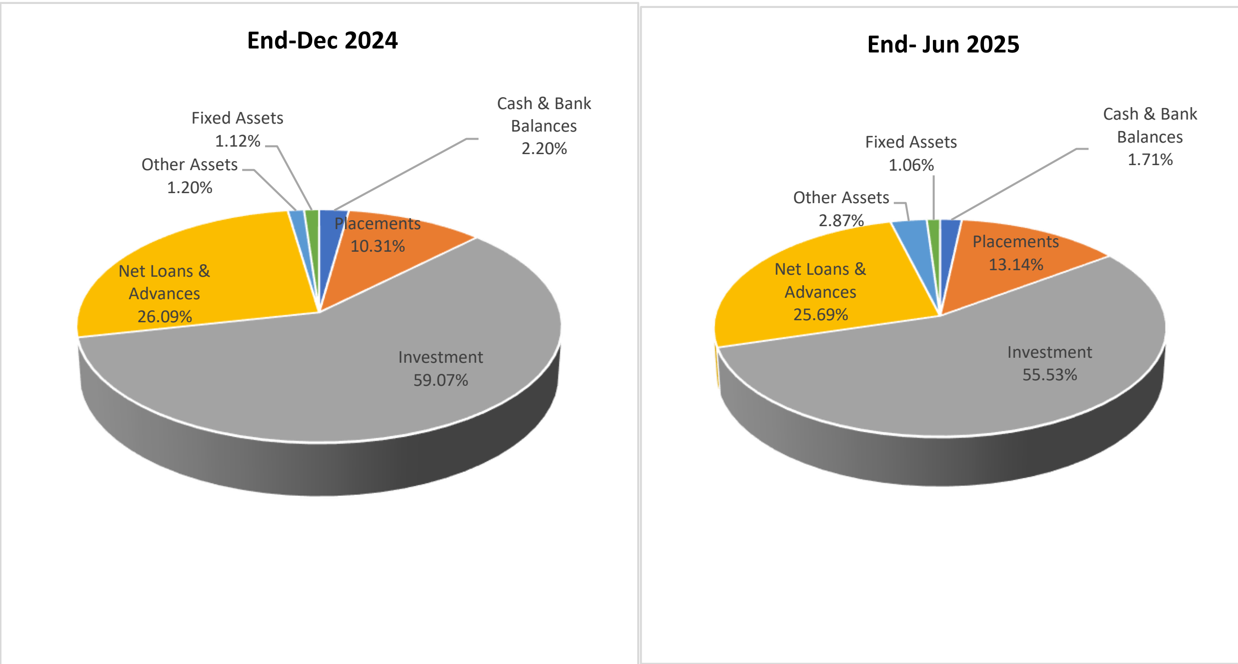
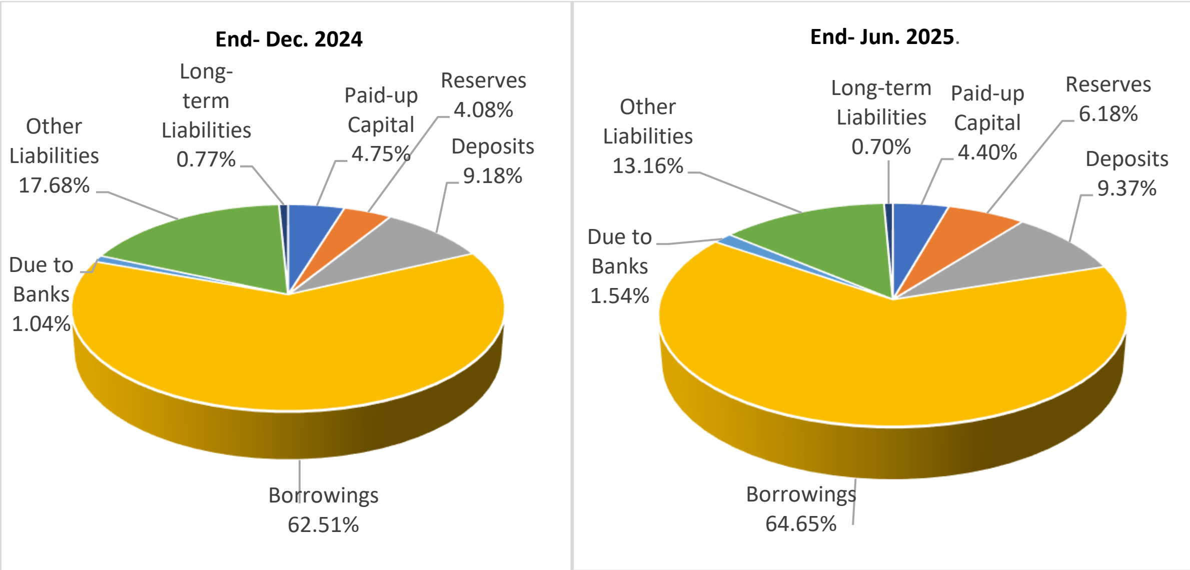


Figure 3.9 Total Liabilities of DFIs



3.2.2. Primary Mortgage Banks

The total assets of the sub-sector increased by 11.57 per cent to ₦696.25 billion from ₦624.06 billion at end-December 2024. The increase was largely due to growth in placements, loans & advances and cash & cash equivalents, which rose by 20.43, 9.70 and 34.57 per cent to ₦144.06 billion, ₦337.98 billion and ₦1.86 billion at end-June 2025, from ₦119.62 billion, ₦308.11 billion and ₦1.39 billion respectively, at end-December 2024.

Similarly, deposits, long-term loans, and shareholders' funds increased by 25.96, 2.45 and 36.21 per cent to ₦317.50 billion, ₦76.27 billion, and ₦78.47 billion, respectively, from ₦252.07 billion, ₦74.44 billion, and ₦57.61 billion at end-December 2024. The increase in shareholders' funds was largely due to accretion to reserves from retained profits in the preceding period.

Total sources of funds increased to ₦696.24 billion from ₦624.67 billion at end-December 2024. Furthermore, total utilisation rose from ₦593.77 billion to ₦664.31 billion, indicating an overall expansion in balance sheet activities. The growth in funding was driven mainly by higher customer deposits and improved reserves, while funds were largely deployed to loans and advances, placements, and investments. The above outcomes reflected enhanced funding capacity, asset growth, and improved operational efficiency over the review period (Table 3.1).

Key prudential ratios remained robust as CAR stood at 18.39 per cent, an increase from 15.12 per cent, while the NPL ratio fell to 14.29 per cent from 21.80 per cent at end-December 2024. Both ratios were within the regulatory minimum and maximum limits of 10.00 and 30.00 per cent, respectively. The improvement in the NPL ratio was attributed to enhanced credit discipline and sound risk management practices (Appendix 9).

Figure 3.10 Consolidated Balance Sheet of PMBs

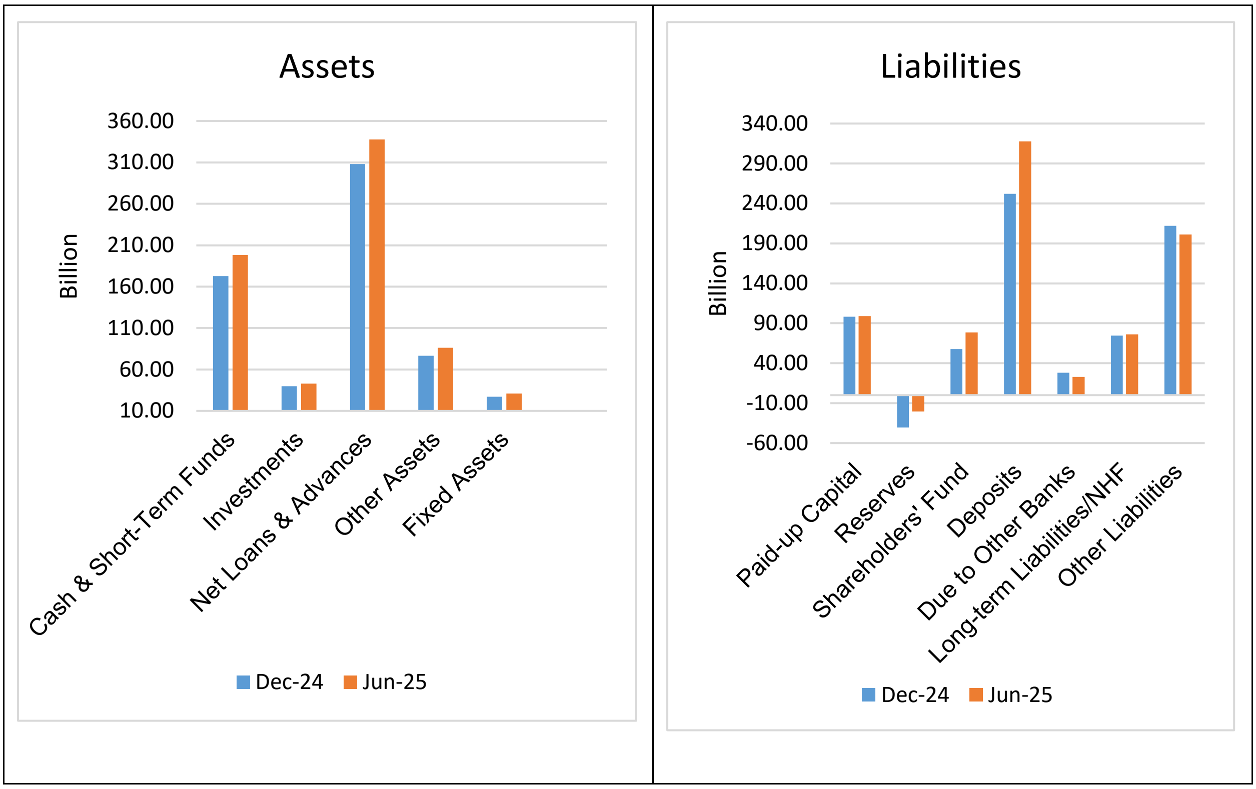


Figure 3.11 Composition of Assets of PMBs

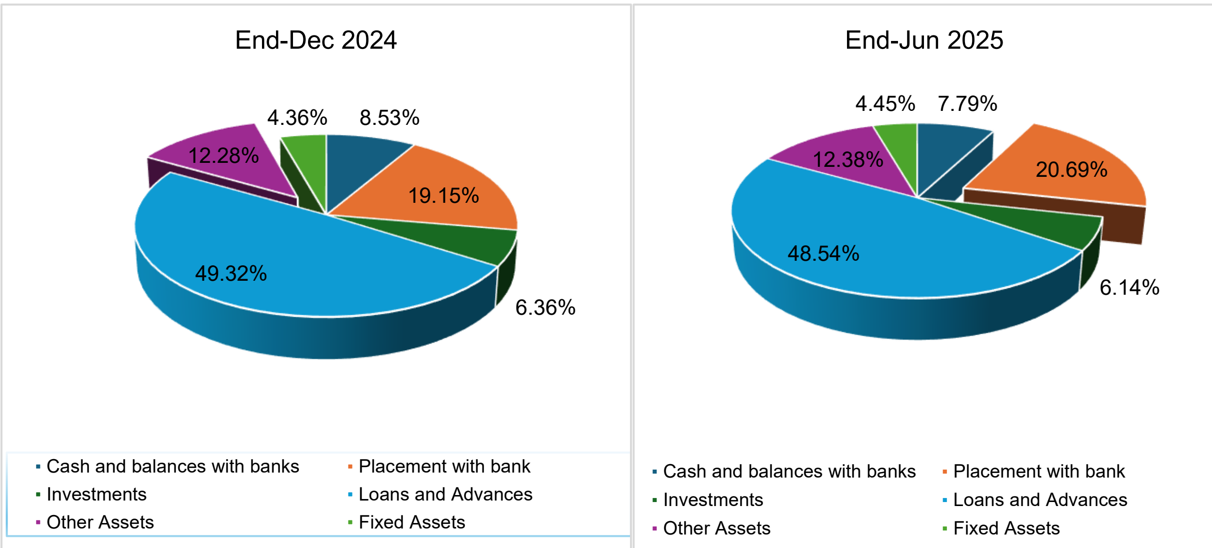
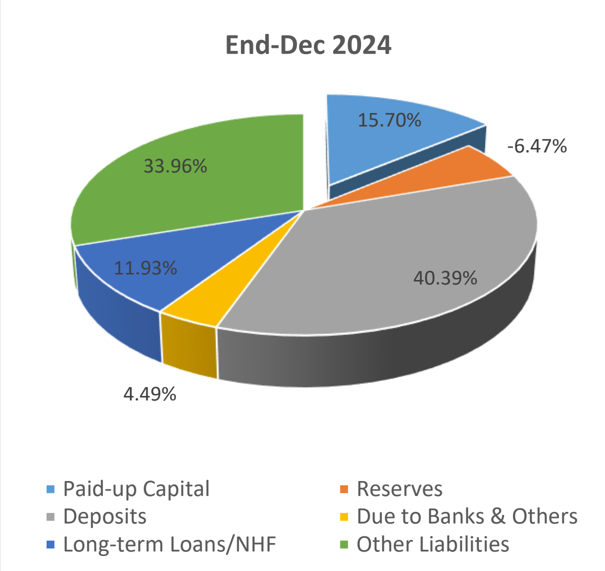


Figure 3.12 Composition of Liabilities of PMBS



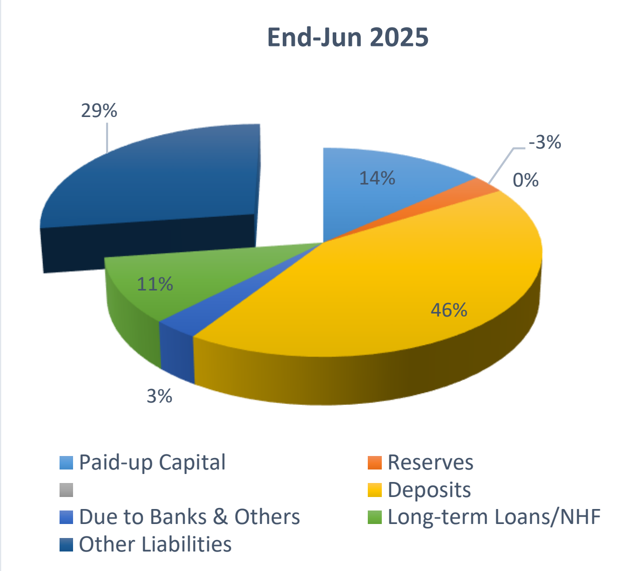


Table 3.1: Sources and Utilisation of Investible Funds of PMBs as of June 2025

	Dec-24		Jun-25	
Items	**Source (₦'Billion)**	**Utilisation (₦'Billion)**	**Source (₦'Billion)**	**Utilisation (₦'Billion)**
Placements		119.62		144.06
Investments		62.08		65.08
Loans and Advances		308.11		337.98
Other Assets		76.7		86.21
Fixed Assets		27.26		30.98
Paid-Up Capital	97.97		98.90	
Reserves	-40.36		-20.43	
Deposits	252.07		317.50	
Due To Other Banks	28.01		23.01	
Long Term Loans/NHF	74.44		76.27	
Other Liabilities	212.54		200.99	
Total	624.67	593.77	696.24	664.31
Unutilised				
Cash	0.00	1.39	0.00	1.86
Bank Balances	0.00	29.51	0.00	30.07
Total Unutilised	0.00	30.90	0.00	31.93
Total	**624.67**	**624.67**	**696.24**	**696.24**

3.2.3. Finance Companies

The total assets of FCs increased by 28.57 per cent to ₦978.16 billion from ₦760.83 billion at end-December 2024. This growth was driven largely by increases in net loans and advances, placements, investments, and balances with banks, which rose by 26.35, 23.14, 51.91 and 22.28 per cent to ₦518.24 billion, ₦127.87 billion, ₦76.18 billion and ₦59.91 billion, respectively.

Similarly, borrowings and other liabilities increased by 23.42 and 25.76 per cent to ₦545.60 billion and ₦304.70 billion, respectively. Shareholders' funds also grew significantly by 70.87 per cent to ₦123.88 billion, mainly driven by increases in paid-up capital and reserves, which rose by 18.36 and 147.20 per cent, respectively.

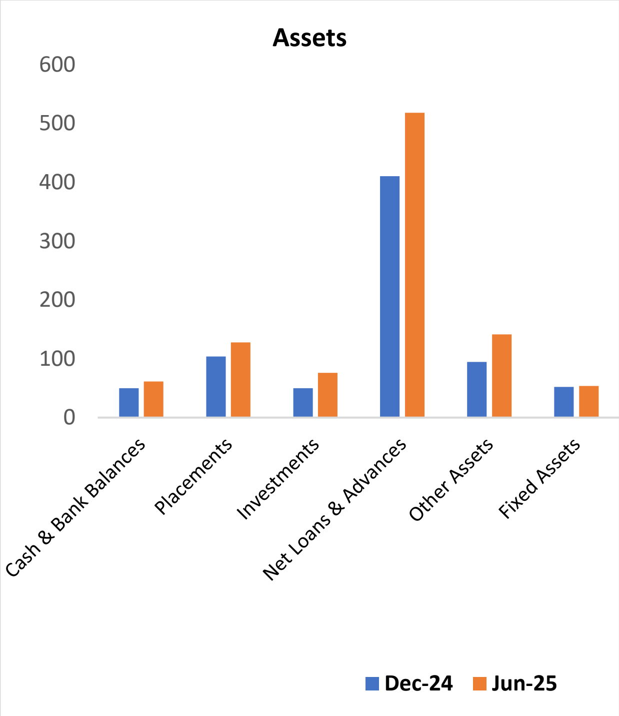
Investible funds during the review period amounted to ₦217.33 billion, sourced from borrowings, reserves, other liabilities, and paid-up capital. These funded the assets of the FCs.

The average NPL ratio improved to 8.42 per cent from 9.17 per cent in December 2024 and remained within the regulatory limit of 10.00 per cent, reflecting improved asset quality. The CAR rose to 13.65 per cent, above the regulatory minimum of 12.50 per cent, indicating the enhanced capacity of the subsector to absorb losses.

Table 3.2: Highlights of the Financial Position of Finance Companies

Item	End-Dec 2024	End-Jun 2025	Change (₦'billion)	% Change
Total Assets	760.83	978.16	217.33	28.56
Balances with Banks	49.0	59.91	10.91	22.28
Net Loans and Advances	410.18	518.24	108.06	26.35
Investments	50.15	76.18	26.03	51.91
Placements	103.84	127.87	24.03	23.14
Fixed Assets	51.97	53.49	1.52	2.92
Borrowings	442.06	545.6	103.54	23.42
Other Liabilities	242.28	304.7	62.42	25.76
Shareholder's Funds	72.5	123.88	51.38	70.87
Paid-up capital	42.96	50.84	7.88	18.34
Reserves	29.55	73.04	43.49	147.17
Capital Adequacy Ratio (%)	9.86	13.65	3.79	38.44
Non-performing Loans (%)	9.17	8.42	-0.75	-8.18

Figure 3.13 Consolidated Balance Sheet of Finance Companies



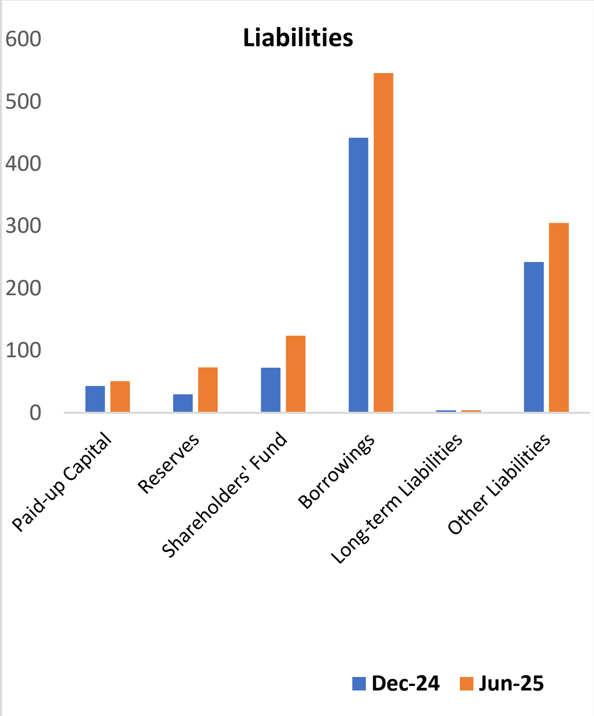
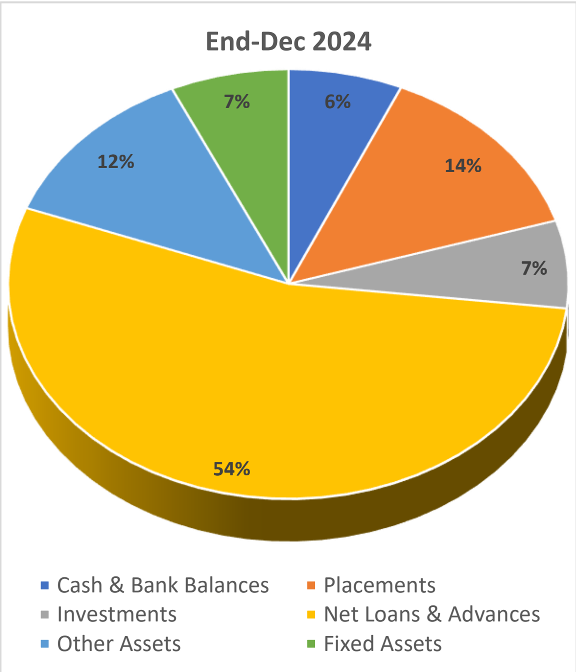


Figure 3.14 Composition of Assets of Finance Companies



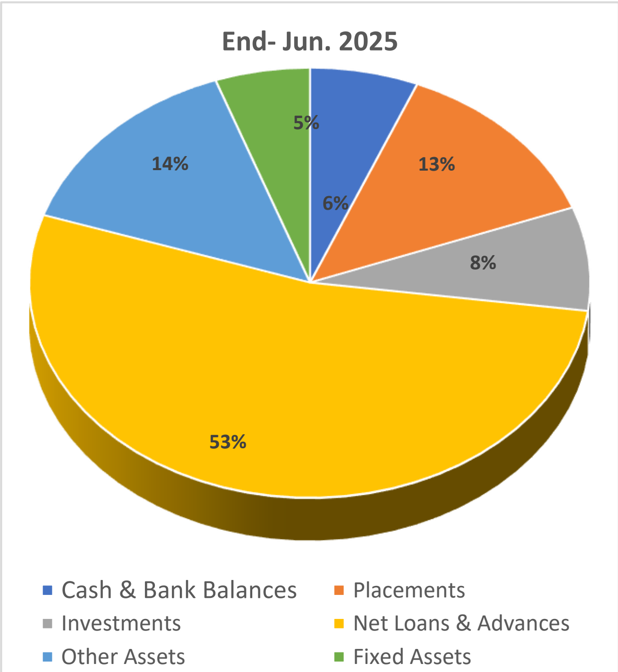


Figure 3.15 Composition of Liabilities of Finance Companies

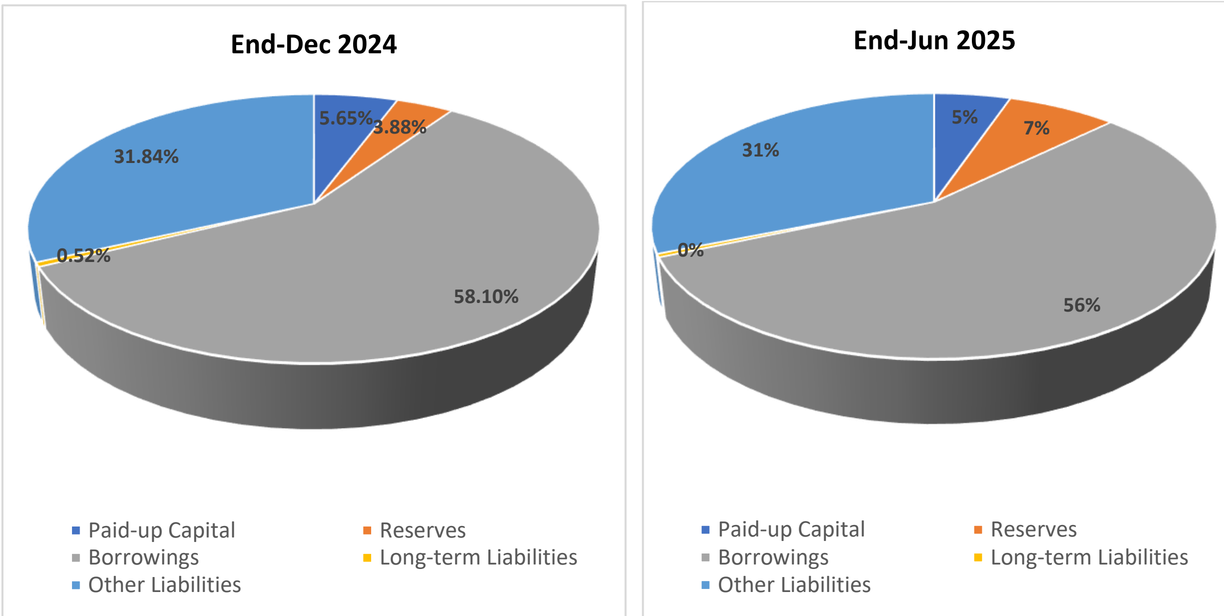


Table 3.3: Sources and Utilisation of Investible Funds of Finance Companies as of June 2025

DESCRIPTION	SOURCE ₦ '000	APPLICATION ₦ '000
Balances with Banks		10,929,085
Placements		24,024,793
Investments		26,029,294
Net Loans and Advances		108,062,154
Other Assets		46,763,139
Fixed Assets		1,525,782
Paid-up Capital	7,888,721	
Reserves	43,490,891	
Long Term Loans Liabilities		178
Total Borrowings	103,533,134	
Other Liabilities	62,421,679	
TOTAL	**217,334,426**	**217,334,426**

3.2.4. Bureaux De Change

The number of licensed BDCs remained at 1,629, following the CBN's extension of the deadline for compliance with the new capital requirements to June 2025. Under the new structure, Tier 1 and 2 BDCs are required to maintain ₦2 billion and ₦500 million in paid-up capital, respectively.

The Bank issued a circular titled "Sales of Foreign Exchange to BDCs to Meet Retail Market Demand for Eligible Invisible Transactions". The circular authorised BDCs to purchase up to US$25,000 weekly from designated Authorised Dealer Banks (ADBs) for approved invisible transactions, including overseas medical expenses, school fees, and travel allowances (PTA/BTA). This initiative aimed to address liquidity challenges in the retail segment of the foreign exchange market.

3.2.5. Microfinance Banks

Total assets of MFBs grew by 25.87 per cent to ₦3,941.47 billion from ₦3,156.42 billion at end-December 2024, owing to increases in placements, due from banks, long-term investments, and loans & advances, which rose by 46.34, 29.09, 81.56, and 34.25 per cent above levels recorded in the last half of 2024, to ₦839.08 billion, ₦602.55 billion, ₦192.44 billion, and ₦1,432.23 billion, respectively. However, 'other assets' declined marginally by 7.59 per cent.

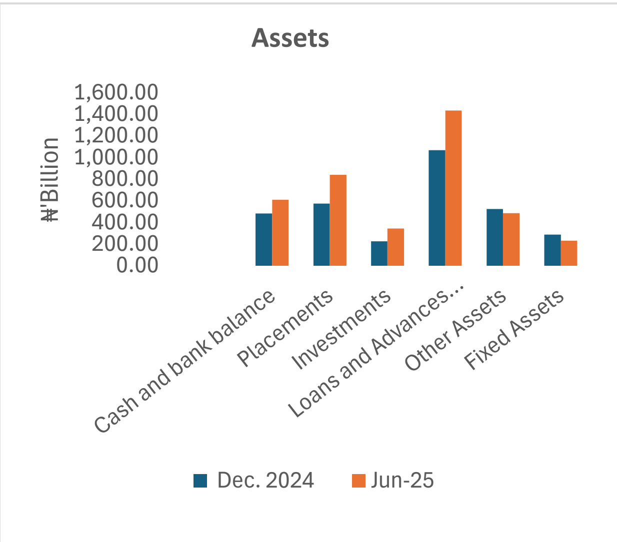
Furthermore, the increase in total liabilities was majorly driven by growth in deposits and other liabilities, reflecting increased confidence in the sub-sector. Deposits rose by 21.59 per cent to ₦2,689.88 billion, while other liabilities increased by 18.59 per cent to ₦654.48 billion in the review period.

Shareholders' funds reflected the same positive trajectory, increasing by 57.43 per cent to ₦394.89 billion. Both paid-up capital and reserves grew, owing to capital injection and increase in reserves.

Total sources of funds increased by 24.87 per cent to ₦3,941.46 billion from ₦3,156.42 billion at end-December 2024, due largely to expansion in deposits. Similarly, utilisation increased by 81.60 per cent to ₦3,331.26 billion from ₦2,675.25 billion, driven largely by the rise in loans & advances and placements.

The CAR and LR at 15.03 and 59.54 per cent were above the minimum regulatory requirements of 10.00 and 20.00 per cent, respectively (Appendix 10).

Figure 3.16 Balance Sheet of Microfinance Banks



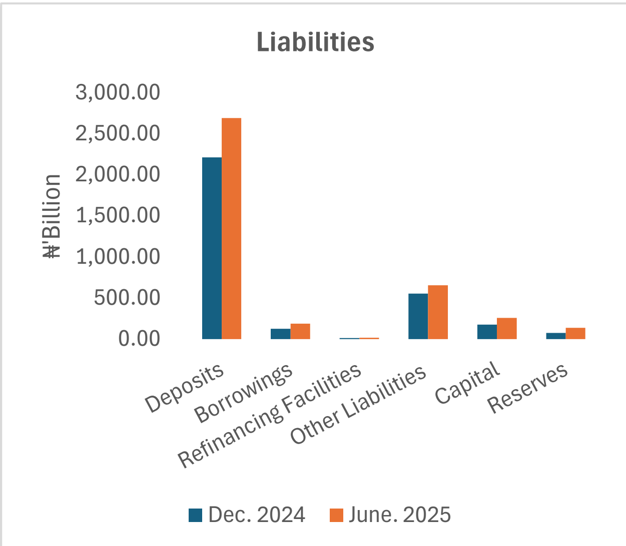
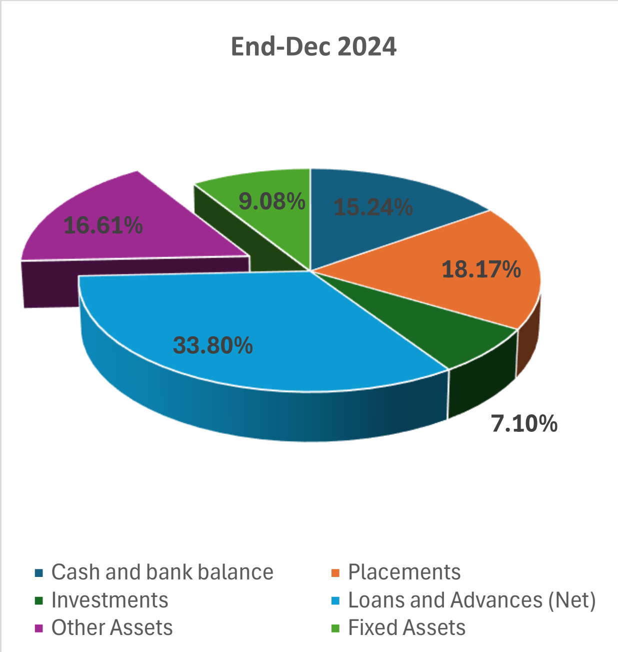


Figure 3.17 Composition of Assets



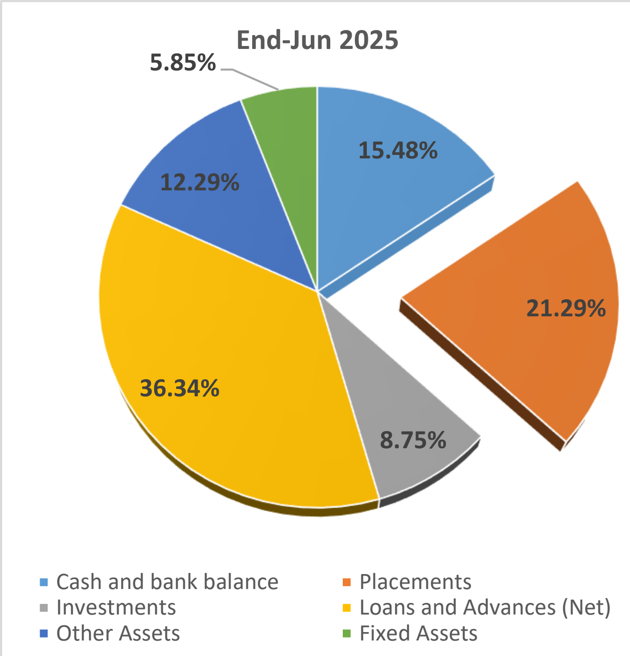
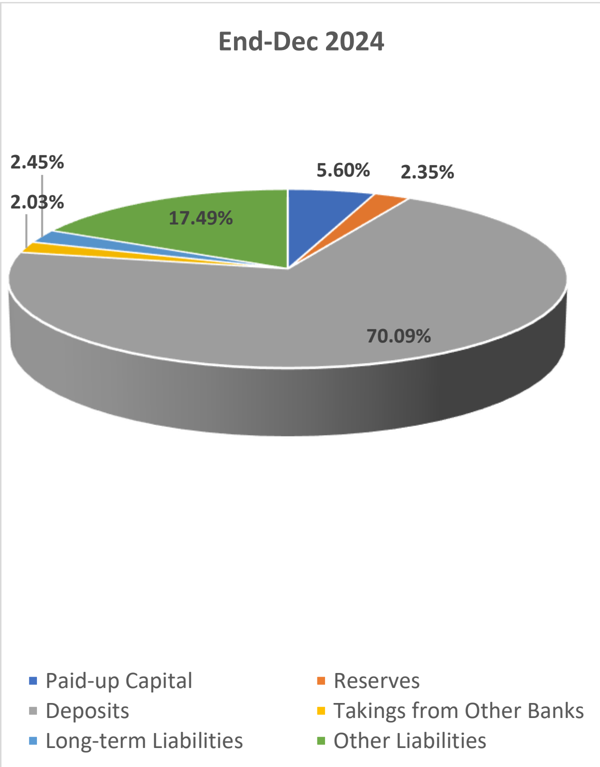


Figure 3.18 Composition of Liabilities of Microfinance Banks



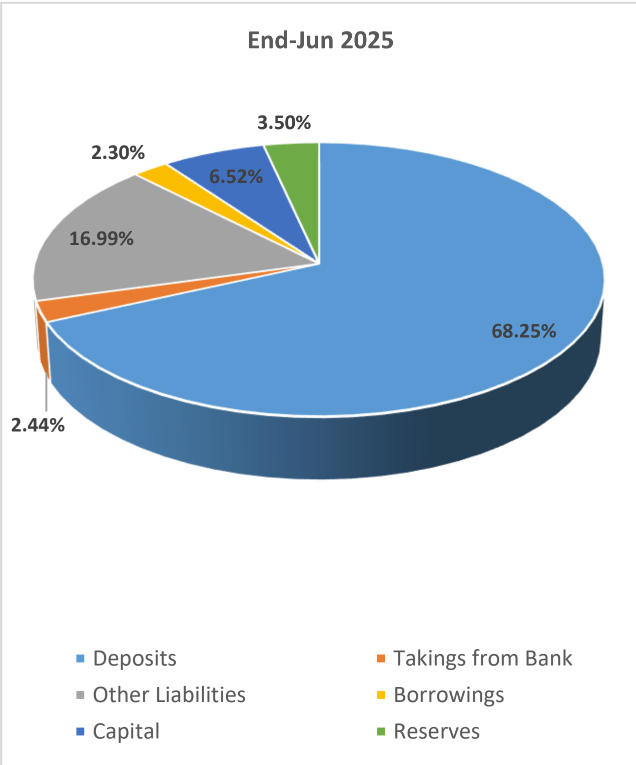


Table 3.4: Sources and Utilisation of Investible Funds of Microfinance Banks as at June 2025

	End-Dec 2024		End-Jun 2025	
Items	Source (₦'Billion)	Utilization (₦'Billion)	Source (₦'Billion)	Utilization (₦'Billion)
Placements		691.51		991.45
Investments		105.99		192.45
Loans and Advances		1066.87		1432.23
Other Assets		524.34		484.55
Fixed Assets		286.54		230.58
Paid-Up Capital	176.77		257.00	
Reserves	74.07		137.89	
Deposits	2,212.43		2,689.88	
Due To Other Banks	63.96		111.48	
Long Term Loans	77.28		90.73	
Other Liabilities	551.91		654.48	
Total	**3,156.42**	**2,675.25**	**3,941.46**	**3,331.26**
Un-utilised				
Cash		14.42		7.76
Bank Balances		466.75		602.55
Total Un-utilised	**0.00**	**481.17**	**0.00**	**610.31**
Total	**3,156.42**	**3,156.42**	**3,941.46**	**3,941.57**

3.2.6. Maturity Structure of MFB Loans & Advances and Deposit Liabilities

The maturity profile of the MFB sub-sector showed that loans and advances were mainly short-term, accounting for 57.36 per cent of the total loan portfolio. Similarly, the deposit structure remained largely short-term, with deposits of less than one year constituting 92.74 per cent. The deposits with maturities of over one year decreased by 29.29 percentage points to 7.26 per cent from 36.55 per cent in the preceding period.

Table 3.5: Maturity Structure of MFBs Loans and Advances and Deposit Liabilities

	End-Dec 2024		End-June 2025	
Tenor/Period	**Loans and Advances (%)**	**Deposits (%)**	**Loans and Advances (%)**	**Deposits (%)**
0-30 Days	29.97	32.55	17.47	43.07
31-60 Days	5.07	3.6	6.58	5.76
61-90 Days	4.19	4.11	8.46	6.61
91-180 Days	11.12	15.85	13.27	14.92
181-360 Days	10.25	7.34	11.58	22.38
Short-Term	60.6	63.45	57.36	92.74
Above 360 Days	39.4	36.55	42.64	7.26
Total	100	100	100	100

3.2.7. Other Developments in the OFI Sub-sector

The Bank issued further guidance on cybersecurity for OFIs, to strengthen resilience against emerging cyber threats. Institutions were encouraged to invest in stronger IT infrastructure, enhance cyber governance frameworks, and improve their capacity to detect and respond to threats.

Notwithstanding these positive developments, cybersecurity deficiencies remained a key vulnerability, with gaps in security architecture and incident response in some institutions, even as AI-enabled phishing, ransomware, and synthetic-identity fraud increased the sophistication of attacks. Capacity constraints also persisted, with a shortage of skilled professionals in cybersecurity and compliance roles.

3.2.8. Asset Management Corporation of Nigeria

Total cash recoveries during the review period increased by 27.87 per cent to ₦66.12 billion from ₦51.71 billion at end-December 2024. Furthermore, investment income from treasury operations rose by 2.08 per cent to ₦15.22 billion from ₦14.91 billion over the preceding half.

Cumulatively, the total recoveries rose by 4.42 per cent to ₦2,426.35 billion from ₦2,323.68 billion during the preceding period, made up of cash ₦984.52 billion, other collections (property sale, share sales, rental income, dividend income, sale of bridge banks and re-investment income) ₦1,291.95 billion and asset forfeiture of ₦149.90 billion.

The carrying value of AMCON's liabilities decreased by 7.84 per cent to ₦5,241.54 billion from ₦5,687.36 billion at end-December 2024. The Corporation's total assets net of impairment decreased by 30.97 per cent to ₦1,267.66 billion from ₦1,836.33 billion in the second half of 2024.

Collections into the Banking Sector Resolution Cost Fund (BSRCF) in the review period amounted to ₦577.84 billion, contributed by the Bank and 15 banks. AMCON utilised the funds to settle its obligations on issued securities.

3.3. Banking Industry Stress Tests

The Bank conducted comprehensive top-down solvency and liquidity stress tests. These forward-looking assessments help identify potential vulnerabilities and emerging risks in the banking sector, enabling timely regulatory interventions to safeguard long-term financial stability in the review period (Appendix 11).

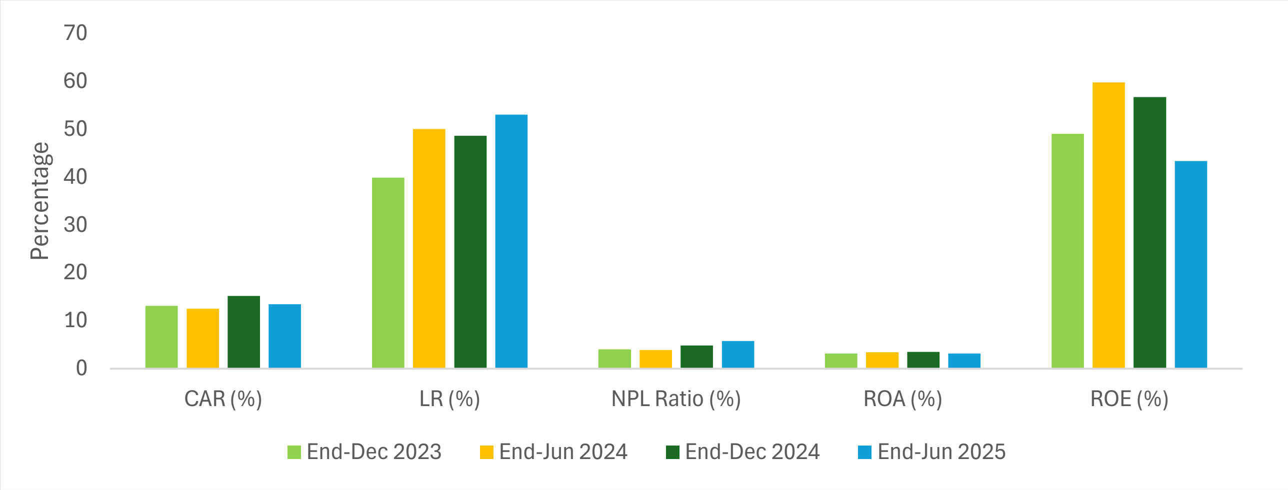
3.3.1. Solvency Stress Test Baseline Position

The banking sector remained resilient and efficient as the baseline CAR, LR, NPL, ROA and ROE stood at 13.43, 53.05, 5.76, 3.20 and 43.36 per cent, respectively, in the first half of the year.

Table 3.6: Banking Industry Baseline of Selected Key Indicators

	CAR (%)	LR (%)	NPL Ratio (%)	ROA (%)	ROE (%)
Prudential Requirements					
a. Dec 2023	13.13	39.89	4.04	3.16	49.04
b. Jun 2024	12.52	50.02	3.90	3.47	59.81
c. Dec 2024	15.19	48.62	4.87	3.49	56.74
d. Jun 2025	13.43	53.05	5.76	3.20	43.36
Percentage Points Change (c – b)	(11.59)	9.11	0.89	(8.31)	(23.58)

Figure 3.19 Banking Industry Selected Key Indicators



3.3.1.1. General Credit and Obligor Credit Concentration Risk

Stress testing outcomes affirmed the resilience of the banking sector in managing both general credit risk and credit concentration exposures, even under severe scenarios. Notably, the industry maintained a CAR above the regulatory minimum of 10.00 per cent, despite a simulated 50.00 per cent surge in NPLs. This underscored the sector's capacity to absorb significant credit shocks while preserving capital buffer and systemic stability.

Table 3.7 Credit Default Stress Test

Shocks	End-Jun 2024 CAR (%)	End-Dec 2024 CAR (%)	End-Jun 2025 CAR (%)
Baseline	12.52	15.25	13.43
10% increase in NPLs	12.25	14.97	13.22
15% increase in NPLs	12.12	14.82	13.11
20% increase in NPLs	11.98	14.68	13.00
30% increase in NPLs	11.71	14.39	12.79
50% increase in NPLs	11.17	13.80	12.36

Under a scenario analysis of five largest corporate credit exposures in each bank deteriorating from performing to sub-standard classification, the CAR would remain above the regulatory minimum of 10.00 per cent, indicating the industry's capacity to absorb credit concentration shocks without breaching capital requirements. In a worst-case scenario, where credits shift from doubtful to lost (Scenario 3), the CAR would drop to 11.99 per cent, remaining above the regulatory minimum.

Table 3.8 Obligor Credit Concentration Stress Tests

Scenarios	End-Jun 2024 CAR (%)	End-Dec 2024 CAR (%)	End-Jun 2025 CAR (%)
Baseline	12.52	15.25	13.43
Scenario 1 Five largest corporate credit facilities shifted from performing to sub-standard (10% provision)	12.15	14.94	13.15
Scenario 2 Five largest corporate credit facilities shifted from sub-standard to doubtful (50% provision)	11.59	14.46	12.72
Scenario 3 Five largest corporate credit facilities shifted from doubtful to lost (100% provision)	10.65	13.64	11.99

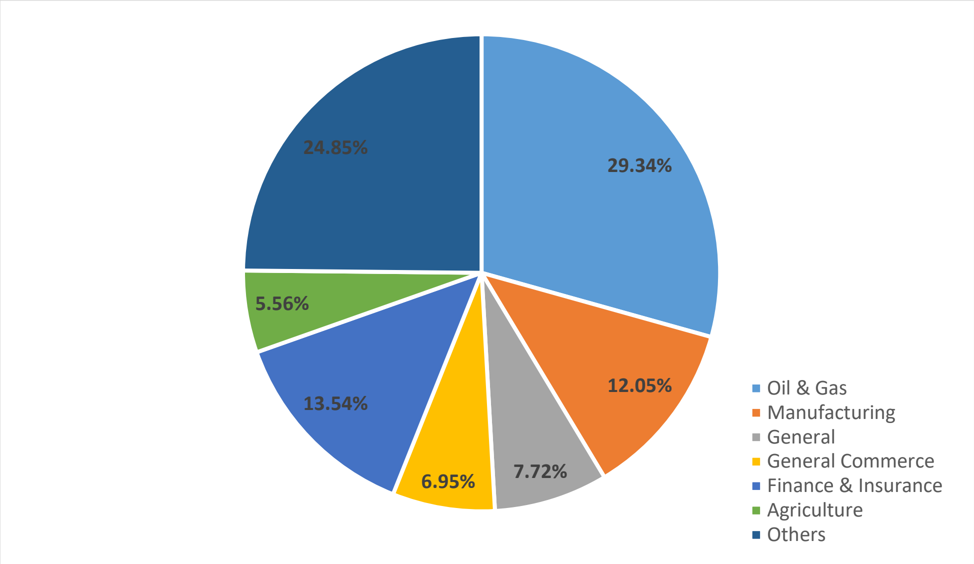
3.3.1.2. Sectoral Credit Concentration Stress Test

The banking sector's credit distribution revealed that the Oil & Gas sector accounted for the largest share of total credit exposure at 29.34 per cent, followed by Finance & Insurance sector with 13.54 per cent. This concentration profile reflected the prevailing lending dynamics and sectoral credit demand patterns within the industry.

Table 3.9 Credit Exposure by Sectors

S/No	SECTOR	End-Dec 2024 (N'Bn)	% to Total Credit	End-Jun 2025 (N'Bn)	% to Total Credit
1	Oil & Gas	17,235.69	28.78	17,297.98	29.34
2	Manufacturing	8,437.60	14.09	7,105.23	12.05
3	General	5,854.98	9.78	4,549.98	7.72
4	General Commerce	5,848.69	9.77	4,096.94	6.95
5	Finance & Insurance	4,849.54	8.10	7,984.87	13.54
6	Agriculture, Forestry and Fishing	2,940.51	4.91	3,280.01	5.56
7	Others	14,710.47	24.57	14,650.41	24.8
	Total	**59,877.49**	**100**	**58,965.42**	**100**

Figure 3.20 Credit Exposure by Sectors

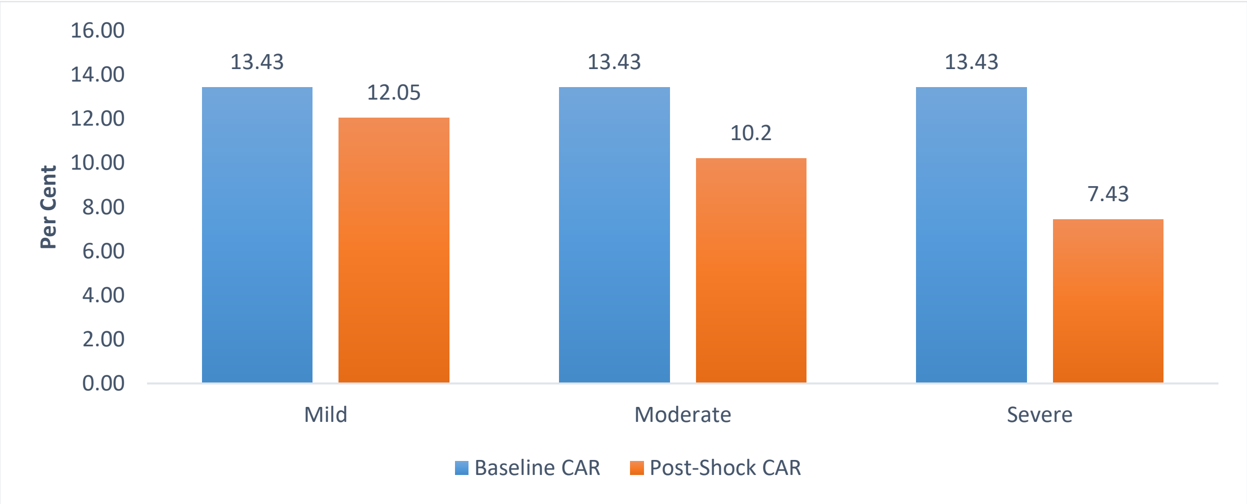


The stress test results highlighted the banking sector's capacity to absorb credit concentration shocks, both sectoral and obligor-related, even under severe scenarios.

3.3.1.3. Climate Risk Stress Test

Results from the climate risk stress test indicated that banking sector solvency ratios would fall below the regulatory threshold under a severe scenario, reaching a low of 7.43 per cent. This indicates heightened systemic vulnerability to climate-induced financial shocks, primarily driven by credit losses associated with physical risks e.g., flood-related disruptions to business operations and transition risks, e.g., asset repricing following the shift toward low-carbon technologies (Appendix 12).

Figure 3.21 Climate Risk Stress Test: Impact on CAR



3.3.2. Liquidity Stress Test

The test results showed that under a one-day run scenario, LR would decline to 44.59 per cent, from the baseline of 52.69 per cent. In extended 5-day and 30-day stress scenarios, the LR would further decrease to 20.53 and 11.55 per cent, respectively. These declines would lead to liquidity shortfalls of ₦1,218.41 billion and ₦3,821.70 billion, respectively, compared to ₦7,918.72 billion and ₦9,055.58 billion recorded at end-December 2024. Nevertheless, available CRR balances would be sufficient to offset any shortfall in liquidity (Appendix 13).

Figure 3.22 Liquidity Stress Test

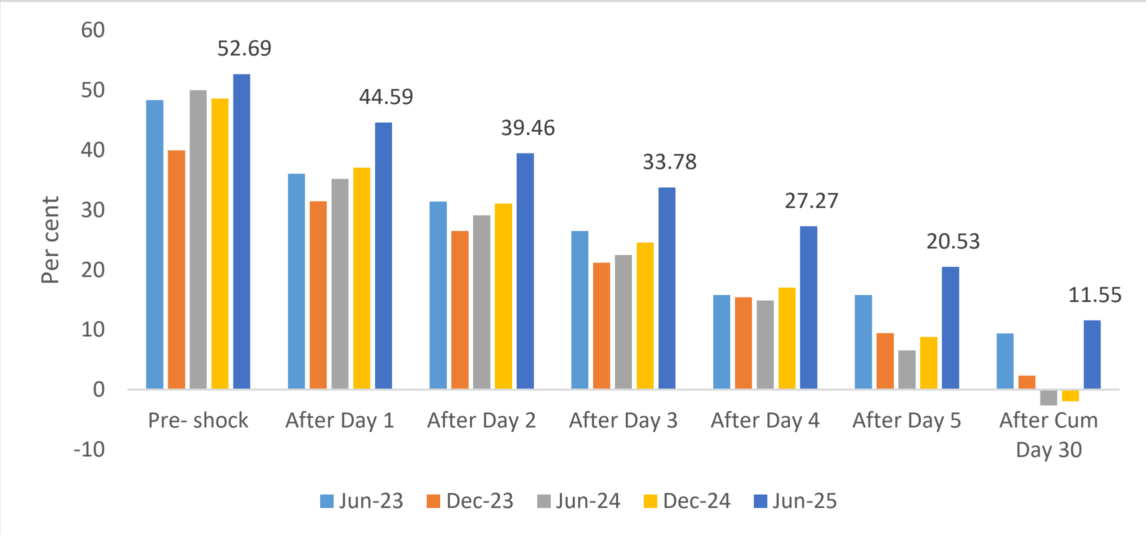


Table 3.10: Implied Cash Flow Liquidity Stress Test Results

	No. of Banks with LR < 30%						
	Jun 2024	Dec 2024	Jun 2025	Dec 2024 LR (%)	Shortfall to 30% LR threshold (₦' billion)	Jun 2025 LR (%)	Shortfall to 30% LR threshold (₦' billion)
Day 1	14	7	5	31.48	*(693.31)	44.59	(8,470.11)
Day 2	21	13	9	26.49	1,547.41	39.46	(5,049.16)
Day 3	24	19	13	21.20	3,621.48	33.78	(1,847.93)
Day 4	26	19	15	15.42	5,614.85	27.27	1,218.41
Day 5	26	22	17	9.42	7,345.10	20.53	3,821.70
Day 30	27	24	18	2.32	9,055.58	11.55	6,599.29

* *denotes liquidity below threshold*

3.3.2.1. Maturity Mismatch

The asset-liability analysis revealed structural imbalances, particularly within the short-term funding buckets. A baseline assessment showed a mismatch of ₦12,176.45 billion, with current assets surpassing current liabilities. The ≤30-day tenor bucket exhibited a pronounced shortfall of ₦39,542.25 billion, if there is no rollover. This might have presented elevated liquidity risk in meeting near-term obligations.

Under the Static Rollover Risk (Test 2) and Dynamic Rollover Risk (Test 3) assessments, substantial mismatches of ₦18,887.28 billion and ₦26,729.02 billion, respectively, were recorded.

The maturity mismatch and rollover risk profiles provided clear indications of potential short-term liquidity stress, highlighting the need for proactive liquidity risk management.

Table 3.11: Profile of Assets and Liabilities

Bucket	Liabilities	Assets	Mismatch	Cumulative Mismatch
	₦' billion			
≤30 days	94,677.43	55,135.18	39,542.25	39,542.25
31-90 days	4,379.97	8,747.44	(4,367.47)	35,174.78
91-180 days	4,718.67	10,248.20	(5,529.53)	29,645.25
181-365 days	2,282.69	7,607.63	(5,324.95)	24,320.31
1-3 years	(536.30)	12,235.81	(12,772.10)	11,548.20
>3 years	8,845.74	32,570.39	(23,724.65)	(12,176.45)
Total	**114,368.20**	**126,544.64**		

Table 3.12: Stress Test Results for Maturity Mismatch

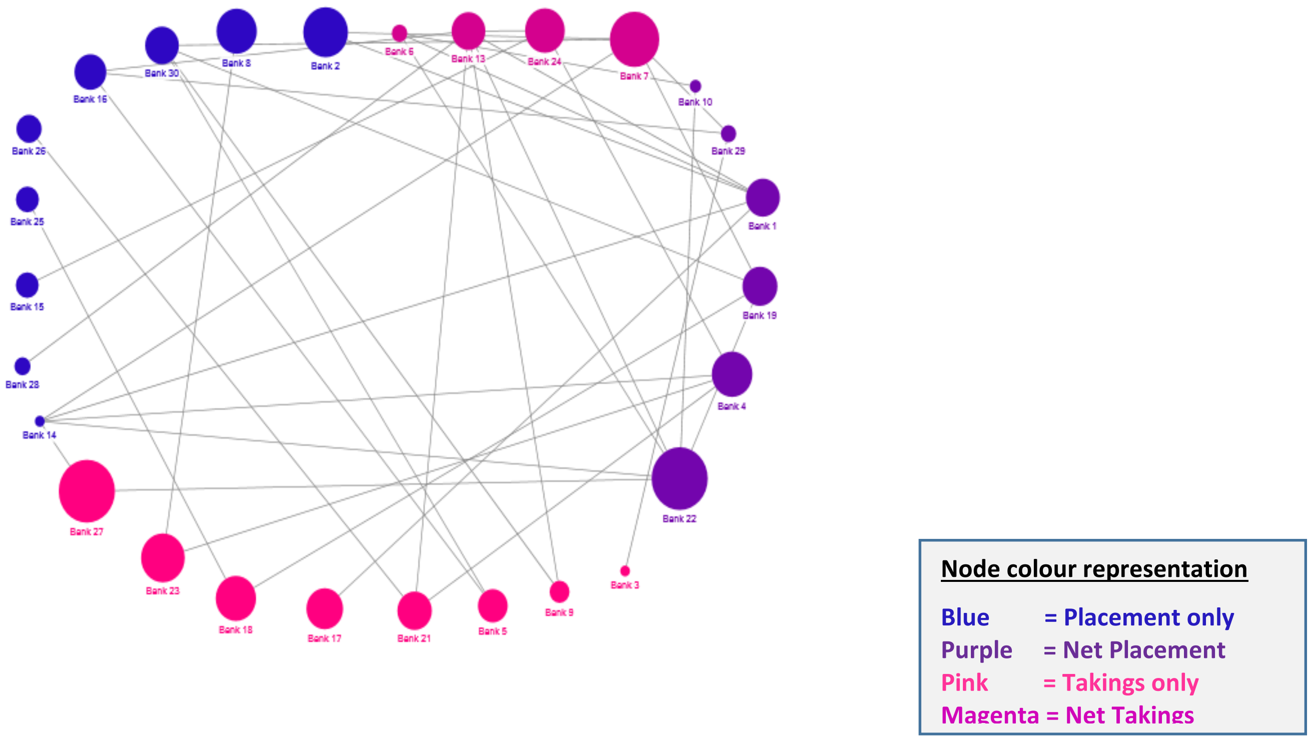
	Test 1 Descriptive Maturity Mismatch. (No consideration of rollover)		Test 2 Static Rollover Risk Analysis. (No possibility to close liquidity gaps in other buckets)		Test 3 Dynamic Rollover Risk test. (Free assets used to close liquidity gaps in other buckets)	
	₦' billion	**No. of banks with mismatch**	**₦' billion**	**No. of banks with mismatch**	**₦' billion**	**No. of banks with mismatch**
≤30 days	54,460.94	5	35,525.45	5	7,186.62	5
31-90 days	10,526.50	7	(5,593.86)	19	(62.74)	6
91-180days	9,364.44	10	(6,473.26)	27	(2,203.77)	9

181-365days	9,593.75	16	(6,009.75)	29	(4,135.76)	13
1-3 Years	2,146.59	18	(12,611.22)	30	(6,770.23)	15
Above 3 years	(8,996.30)	31	(23,724.65)	31	(20,743.14)	20
Total	**77,095.92**		**(18,887.28)**		**(26,729.02)**	

3.3.2.2. Contagion Risk Analysis

The risk of contagion from inter-bank placements and takings declined significantly, following a 52.77 per cent reduction in total exposure, from ₦2,053.36 billion at end-December 2024 to ₦969.75 billion. A breakdown showed that 10 out of the 27 banks accounted for 83.22 per cent of total placements, while eight banks accounted for 84.72 per cent of total takings. The contagion risk remained low, as placements were collateralised.

Figure 3.23 Network Analysis based on Interbank Exposures



Overall, the stress tests results showed that Nigerian banks have demonstrated resilience, supported by robust capital buffer and liquidity positions. However, the rising level of non-performing loans underscored the need for sustained risk management and the continued deployment of appropriate macroprudential measures to safeguard financial stability.

3.4. Supervision of Banks and Other Financial Institutions

The Bank sustained its supervisory and regulatory activities in the banking sector using the risk-based approach, with the aim of promoting a safe, stable, and sound financial system.

In the first half of 2025, regulatory forbearance on facilities affected by the COVID-19 pandemic and waivers on Single Obligor limits were terminated, while the banking sector recapitalisation continued as banks raised funds to meet the increased minimum capital requirements.

3.4.1. Routine Examination

Routine examination of nine mobile money operators was conducted in the review period, aimed at assessing operational resilience and compliance with regulations. The outcome indicated that the examined institutions complied with regulations, including regular reconciliation of pool and settlement accounts, applicable transaction limits on agent terminals and user wallets, and appropriate pass-through insurance arrangements with the NDIC.

Similarly, the Bank conducted routine examinations of 46 Payment Service Providers (PSPs) to assess their compliance with corporate governance standards, AML/CFT/CPF regulations and determine their operational resilience and the effectiveness of their risk management practices. Appropriate sanctions were applied to erring institutions.

The Bank also examined a total of 253 MFBs in the review period. The outcome revealed some deficiencies and appropriate regulatory measures were taken.

3.4.2. Target Examination

Risk Assets Examination of all banks were conducted in the first half of 2025. The examination evaluated the quality of the banks' assets and determined the adequacy of loan loss provisioning requirements for the approval of the banks' 2024 annual financial statements. The outcome confirmed that the banks remained safe, stable and sound. However, appropriate regulatory remediation measures were taken to address observed lapses.

Similarly, assessments were conducted on mobile money operators and super agents to ascertain compliance level with cash withdrawal limits at agent locations. The exercise revealed that the institutions were largely compliant. However, a few instances of breaches were observed and appropriate sanctions imposed, while remediation measures were recommended.

3.4.3. Spot Checks

A spot check investigation was conducted on a PSP which was found to have launched a product without prior CBN approval. Subsequently, financial sanctions were imposed on the institution, while remediation measures were enforced.

3.4.4. Foreign Exchange Examination

The Bank conducted Foreign Exchange Examination of the 34 Authorized Dealers (ADs), consisting of 29 commercial banks and five merchant banks. The objective was to ascertain the ADs' compliance with extant foreign exchange rules and regulations, sources of FX flows and utilisation of foreign exchange acquired for eligible transactions.

3.4.5. Anti Money Laundering

The Bank conducted AML/CFT/CPF risk-based examinations covering 24 Commercial Merchant and Non-Interest Banks, 93 Bureau De Change operators and 10 payment service providers. Examination findings were communicated to the respective institutions through supervisory letters.

Activities during the period included engagements with Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) and the Financial Action Task Force (FATF). The discussions focused on aligning industry practices with global standards and addressing emerging risks within the financial system.

3.4.6. Domestic Systemically Important Banks

During the review period, five[5] banks maintained their designation as D-SIBs. These banks continued to be subjected to enhanced supervision in view of the significant impact the failure of any of the institutions could have on the overall financial system.

The five D-SIBs accounted for 59.23 per cent (₦98,331.65 billion) of the industry's total assets of ₦166,023.82 billion. The D-SIBs also accounted for 60.43 per cent (₦62,471.86 billion) of total industry deposits of ₦103,377.40 billion and 57.66 per cent (₦34,010.33 billion) of the aggregate industry credit of ₦58,980.87 billion, respectively.

3.4.7. Environmental Sustainability Examination

Environmental Social Governance (ESG) reports of all Commercial Banks were reviewed in the first half of 2025. The outcomes from the review were communicated to the banks for appropriate action.

3.5. Supervisory Collaboration

The Bank sustained collaborative engagements on supervisory and regulatory issues. These engagements included participation in the following meetings:

- 20th Basel Committee on Banking Supervision (BCBS) Financial Stability Institute High Level Meetings for Africa in Cape Town, South Africa. The meeting discussed strategies for strengthening Financial Sector Supervision in the continent.

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[5] The five banks designated as D-SIBs were unchanged from the preceding half-year.

- 52nd and 53rd meetings of the College of Supervisors of the West African Monetary Zone (CSWAMZ) held in Freetown, Sierra Leone. The meetings reviewed cross-border supervision issues, including examination processes, Basel standards implementation, ECL impairment models, capacity building and other developments in the banking system across the Zone.
- 22nd Annual Assembly of the Committee of Bank Supervisors of West and Central Africa (CBSWCA) held in Libreville, Gabon. The meeting reviewed macroeconomic, financial and banking sector developments in member countries.
- The Community of African Banking Supervisors (CABS) conference and meeting held in Balaclava, Mauritius, reviewed the activities, programmes and the work plan of the CABS Working Groups for 2026 - 2028.
- The two statutory meetings of the Financial Regulation Advisory Council of Experts (FRACE), and one interactive session for FRACE and Advisory Committee of Experts (ACE) members. The meetings provided opportunity for exchange of ideas on mitigating Shariah non-compliance, strengthening internal Shariah controls and audits as well as fostering the institutionalisation and operation of resilient Shariah governance systems in Non-Interest Financial Institutions (NIFIs).

3.6. Credit Reporting

3.6.1. Credit Risk Management System

The Credit Risk Management System (CRMS) of the CBN continued to function as a pivotal and authoritative repository of credit information within the banking sector. The total number of credit facilities on the CRMS database increased by 8.31 per cent to 65,880,944 from 60,826,788 at end-December 2024. The total facilities comprised 64,717,170 individual and 1,163,774 non-individual borrowers.

The total number of facilities with outstanding balances increased by 22.53 per cent to 5,064,234 (comprising 4,964,131 individuals and 100,103 non-individuals) from 4,132,917 at end-December 2024. The strict enforcement of the CBN Regulatory Guidelines on CRMS led to enhanced compliance by banks, as signified by improved credit records.

Table 3.13: Credit Risk Management System Statistics

Description	End-Dec 2024	End-Jun 2025	Change	Change %
*** Total No. of Credit/facilities reported on the CRMS:**	**60,826,788**	**65,880,944**	**5,054,156**	**8.31**
Individuals	59,731,877	64,717,170	4,985,293	8.35
Non-Individuals	1,094,911	1,163,774	68,863	6.29

*** Total No. of Outstanding Credit facilities on the CRMS:**	**4,132,917**	**5,064,234**	**931,317**	**22.53**
Individuals	4,038,477	4,964,131	925,654	22.92
Non-Individuals	94,440	100,103	5,663	6.00

* *The figures include borrowers with multiple loans and/or credit lines*

3.6.2. Credit Bureaux

The licensed credit bureaux remained three in the review period. The number of uniquely identified credit records of the credit bureaux increased by 4.77 per cent to 352.57 million from 336.51 million at end-December 2024. The increase was due largely to expansion in microloans. The number of subscribers in the database of the credit bureaux increased by 2.58 per cent to 4,768 from 4,648 at end-December 2024.

Table 3.14: Credit Bureaux Statistics

[S/N		End-June 2024	End-December 2024	End-June 2025	Change (N)	% Change
1	Number of credit records	317,025,068	336,508,865	352,571,708	16,062,843	4.77
2	Value of Credit Facilities (N'Trn)	214.81	250.18	317.93	67.75	27.08
3	Number of borrowers	94,387,537	99,120,080	109,295,962	10,175,882	10.27
4	Number of subscribers	4,789	4,648	4768	120	2.58

3.7. Other Developments

3.7.1. Guidelines on Management of Dormant Accounts, Unclaimed Balances and Other Financial Assets in Banks and Other Financial Institutions in Nigeria

The Bank issued further guidance to banks and OFIs on the management of dormant accounts, unclaimed balances and other financial assets. The circular required banks and other financial institutions to publish names of individuals authorised to operate the accounts, the types of accounts and the addresses of the branches where the accounts were domiciled on the institution's or association's websites.

3.7.2. Review of Automated Teller Machine Transaction Fees

The Bank issued a circular on February 10, 2025, reviewing upwards, the ATM transaction fees prescribed in Section 10.7 of the extant CBN Guide to Charges by Banks, Other Financial and Non-Bank Financial Institutions, 2020.

3.7.3. Waiver of Non-Refundable Annual Licence Renewal Fee for Existing Bureaux de Change

A circular was issued on January 24, 2025, informing BDCs of the waiver of 2025 annual renewal licence fee. The decision was in furtherance of the transition to the new Bureau De Change regulatory structure.

3.7.4. Banking Sector Recapitalisation

In furtherance to the directive to raise the capital requirement for commercial, merchant and non-interest banks, eight banks met the requirement during the review period.

Box 2: Review of Minimum Capital Requirements for Commercial, Merchant, and Non-Interest Banks in Nigeria

The Bank on March 28, 2024, issued a circular announcing an upward review of the Minimum Capital Requirements for Commercial, Merchant and Non-Interest Banks in Nigeria in line with Section 9 of the Banks and Other Financial Institutions Act (BOFIA) 2020. This was aimed at engendering a more resilient, safe and sound financial system that would support the emergence of the FGN's targeted one trillion-dollar economy by 2030. The review also became necessary to strengthen and reposition the banking system since the last banking consolidation exercise in 2005. The circular stipulated March 31, 2026 as the deadline for compliance.

Category	***Minimum Capital Requirements ₦' Billion***	
	Current	***New***
International commercial banks	*50*	*500*
National commercial banks	*15*	*200*
Regional commercial banks	*10*	*50*
National merchant banks	*15*	*50*
National non-interest banks	*10*	*20*
Regional non-interest banks	*5*	*10*

Other details of the circular included:

Options for Meeting Requirements: Banks may raise capital through private placement, rights issue, public subscription, mergers and acquisitions, or adjusting their licence authorisation (upgrade/downgrade).

Timeline: Existing banks must meet the new capital requirements within 24 months, starting from April 1, 2024, and ending on March 31, 2026. New banks must meet the requirements upon application.

Compliance: Banks have submitted implementation plans to the CBN. The CBN will continue to monitor compliance and enforce the requirements within the stipulated timeline.

For Existing and New Banks: For existing banks, the minimum capital shall include paid-up capital and share premium only and must adhere to the minimum capital adequacy ratio (CAR). New banks must meet the paid-up capital requirement directly.

3.8. Market Conduct Assessment

The Bank conducted a comprehensive gap analysis of industry employee-related regulatory approval processes, benchmarking existing practices against international standards. This assessment identified areas requiring improvement to ensure consistency and strengthen governance across approval regimes, as well as providing greater transparency and uniformity in approval procedures, thereby supporting a more robust and credible financial system.

3.8.1. Complaint Management and Resolution

The total number of complaints received by the Bank rose by 143.38 per cent to 10,704 from 4,398 in the second half of 2024. The increase was attributed to several factors which included greater public awareness of consumer rights, regulatory emphasis on complaint reporting and enhanced customer confidence in the Bank's complaint resolution and redress framework.

A breakdown of the complaints revealed that 53.45 and 46.55 per cent were lodged against CMNBs and OFIs[6], respectively. In terms of categorisation, Electronic/Cards-related complaints accounted for 51.50 per cent; Fraud, 39.27 per cent and Account Management, Excess charges and Others accounted for the balance. A total of 9,771 complaints were resolved/closed, indicating an increase of 4.57 per cent from 9,344 complaints resolved/closed in the preceding half-year.

Total claims amounted to ₦21.42 billion and US$5.09 million as against ₦4.53 billion and US$1.05 million, in the second half of 2024, while the sums of ₦7.17 billion and US$3,432.20 were refunded to complaints.

[6] MFBs, MMOs, PSBs, FCs and PMBs.

Table 0.1: Complaints Received

Category	End-Jun 2024	%	End-Dec 2024	%	End-Jun 2025	%
Electronic/Cards	5,383	32.57	3,221	73.24	5,513	51.50
Fraud	6,857	41.49	601	13.67	4,203	39.27
Account Mgt.	3,699	22.38	455	10.35	749	7.00
Excess Charges	81	0.49	78	1.77	156	1.46
Others	507	3.07	43	0.98	83	0.77
Total	16,527		4,398		10,704	

Figure 0.1 Number of Complaints Received

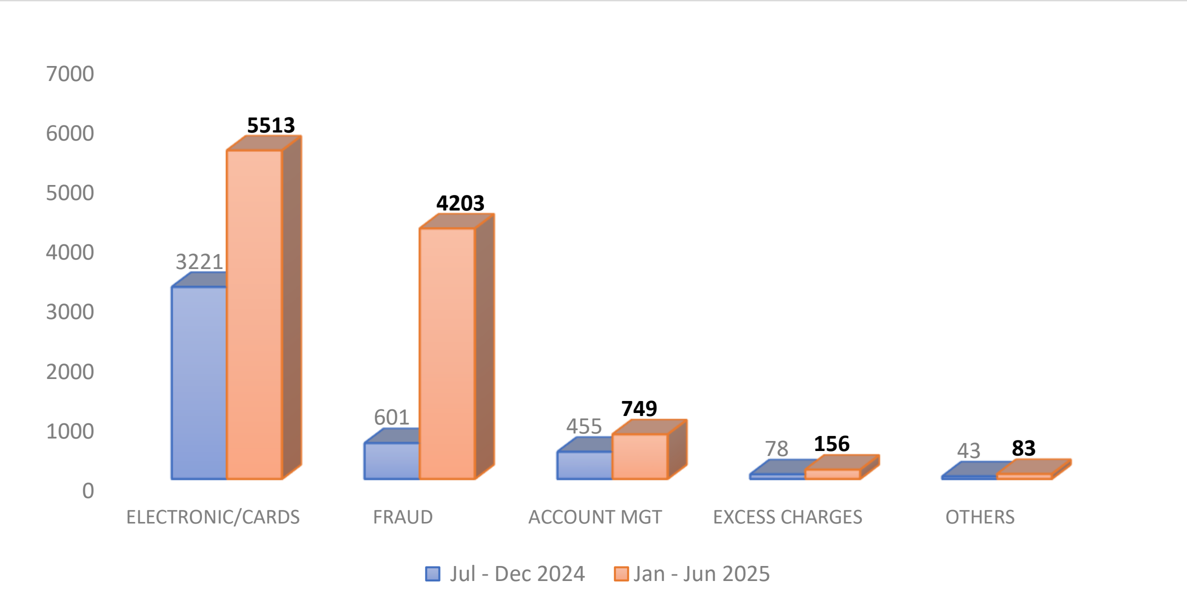


Figure 0.2 Complaints Resolved/Closed

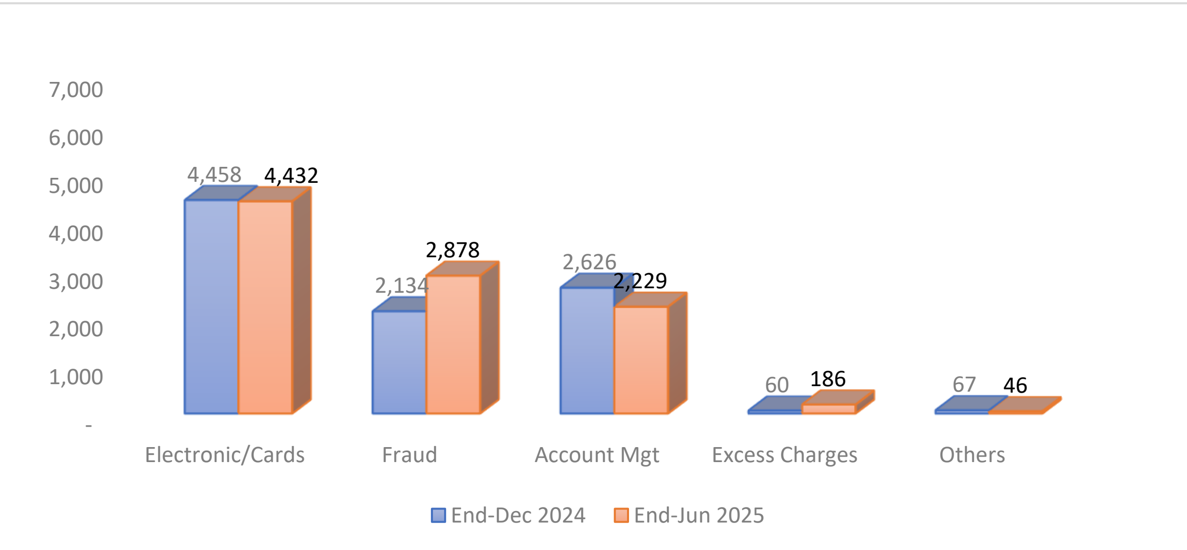


Table 0.2: Complaints Resolved/Closed

Category	End-Jun 2024	Percentage	End-Dec 2024	Percentage	End-Jun 2025	Percentage
Electronic/Cards	5,986	40.60	4,458	47.71	4,432	45.36
Fraud	6,856	46.50	2,134	22.83	2,878	29.45
Account Mgt.	1,619	10.98	2,626	28.10	2,229	22.81
Excess Charges	273	1.85	60	0.64	186	1.90
Others	9	0.06	67	0.72	46	0.47
Total	**14,743**		**9,344**		**9,771**	

4. DEVELOPMENTS IN THE PAYMENTS SYSTEM

The Bank sustained its supervisory effort and engagement with stakeholders in promoting an efficient and effective payment ecosystem, while fostering innovation and ensuring adaptability in the rapidly evolving payment landscape.

4.1. Bank Verification Number

The number of individuals enrolled on the BVN platform rose by 2.44 per cent to 65.95 million from 64.38 million at end-December 2024. A total of 335.78 million bank accounts were linked with BVN, compared with 297.28 million at the end of the preceding period. The total number of active accounts in the banking industry rose to 317.72 million, above the 311.65 million recorded in the second half of 2024. The number of BVN watch-listed for fraudulent activities at end-June 2025 stood at 13,766.

Table 4.1 BVN Statistics

Description	End-December 2024	End-June 2025	% Change
BVNs enrolled	64,804,993	65,950,728	1.77
Accounts linked with BVN	297,286,819	335,781,854	12.95
Active Accounts	311,649,156	317,720,755	1.95
Watch-listed BVNs (Fraudulent)	9,476	13,766	45.27
Watch-listed BVNs (Deceased)	21,118	24,281	14.98

Source: NIBSS

4.2. Cheque Standards and Cheque Printers' Accreditation Scheme

The Bank renewed the operating licences of two cheque printers during the review period.

4.3. Cheque Payments

The volume and value of cheque payments decreased by 4.68 and 5.08 per cent to 7.13 and ₦9.72 trillion from 7.48 and ₦10.24 trillion, respectively, at end-December 2024. This development indicated a preference for the use of other payment channels.

4.4. Large Value Payments

The volume and value of inter-bank fund transfers through the CBN RTGS System rose to 215,797 and ₦226,055 billion from 205,307 and ₦124,114 billion in the preceding half-year, indicating increases of 5.11 and 82.14 per cent, respectively.

Figure 4.1. Volume of Inter-bank RTGS Transactions

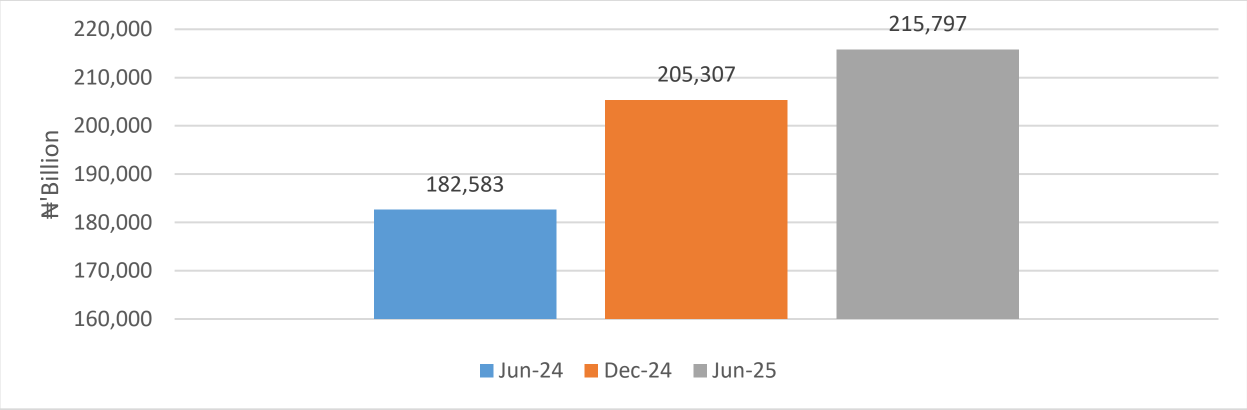
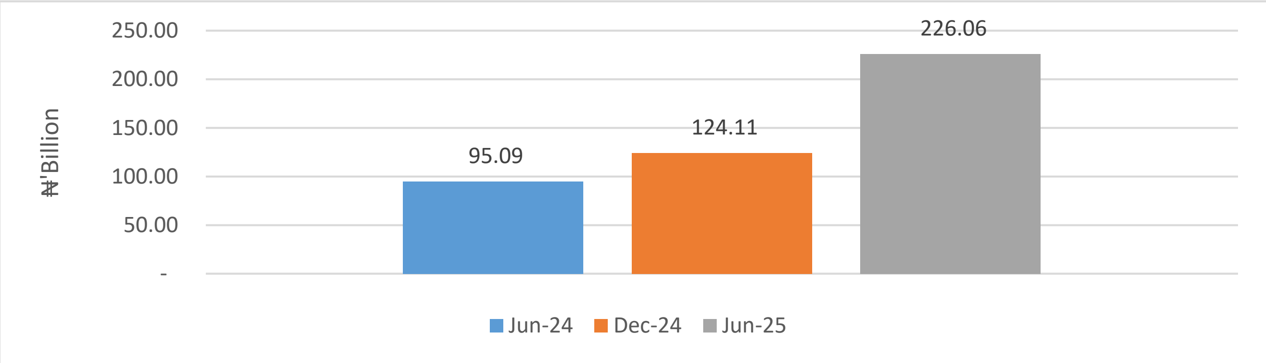


Figure 4.2. Value of Inter-bank RTGS Transactions



4.5. Retail Payments

The volume of retail payments decreased marginally, while the value increased in the first half of 2025, largely attributed to growth in e-commerce. A breakdown indicated that the volume of electronic payments dropped slightly by 0.01 per cent to 24,235.03 million from 24,236.34 million, while the value rose by 6.20 per cent to ₦1,899.85 trillion in the first half of 2025, compared with ₦1,775.74 trillion in the second half of 2024.

In terms of volume, ATM, point of sales (PoS) and USSD transactions increased by 72.99, 20.76, and 27.99 per cent, respectively, while Internet (web), NEFT, Mobile App and Direct Debits transactions decreased by 10.99, 12.17, 2.32 and 38.95 per cent, respectively compared with levels in the second half of 2024. Similarly, the value of ATM, PoS, Internet (web), NEFT and USSD transactions increased by 114.90, 7.16, 3.01, 22.27 and 7.62 per cent, respectively in the first half of 2025. Conversely, the value of transactions through mobile apps and Direct Debit declined by 8.45 and 23.54 per cent respectively, compared with the preceding half of 2024.

A review of the components of e-payments showed that the internet/web channel sustained its dominance, accounting for 44.44 and 57.63 per cent of the total volume and value, respectively.

The Bank continued to promote the adoption of electronic payments through innovative payment systems and financial literacy schemes.

Figure 4.3 Composition of e-Payments Transactions by Volume

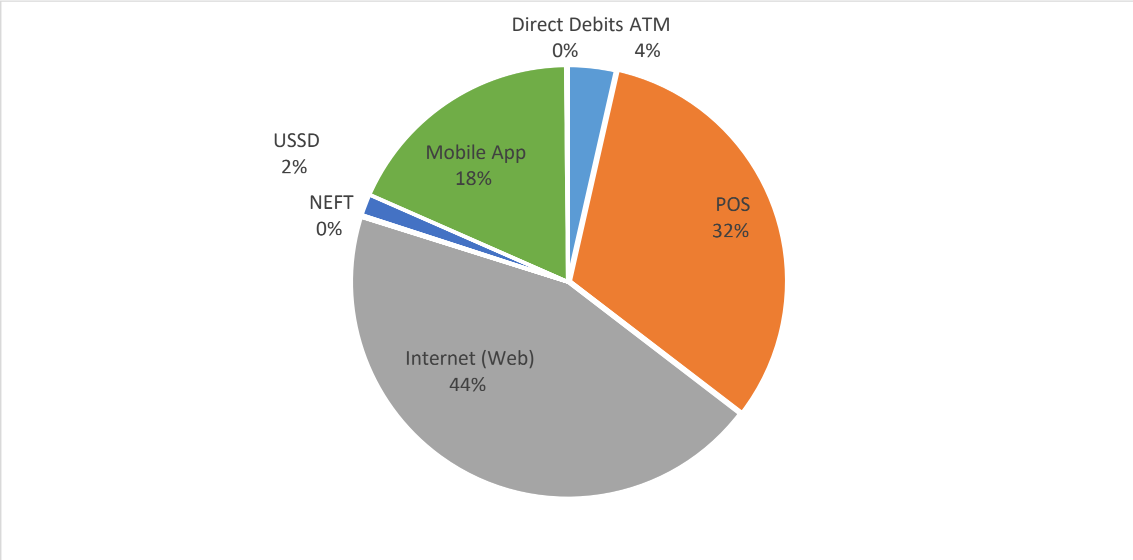


Figure 4.4 Share of e-Payments Transactions by Value in the First Half

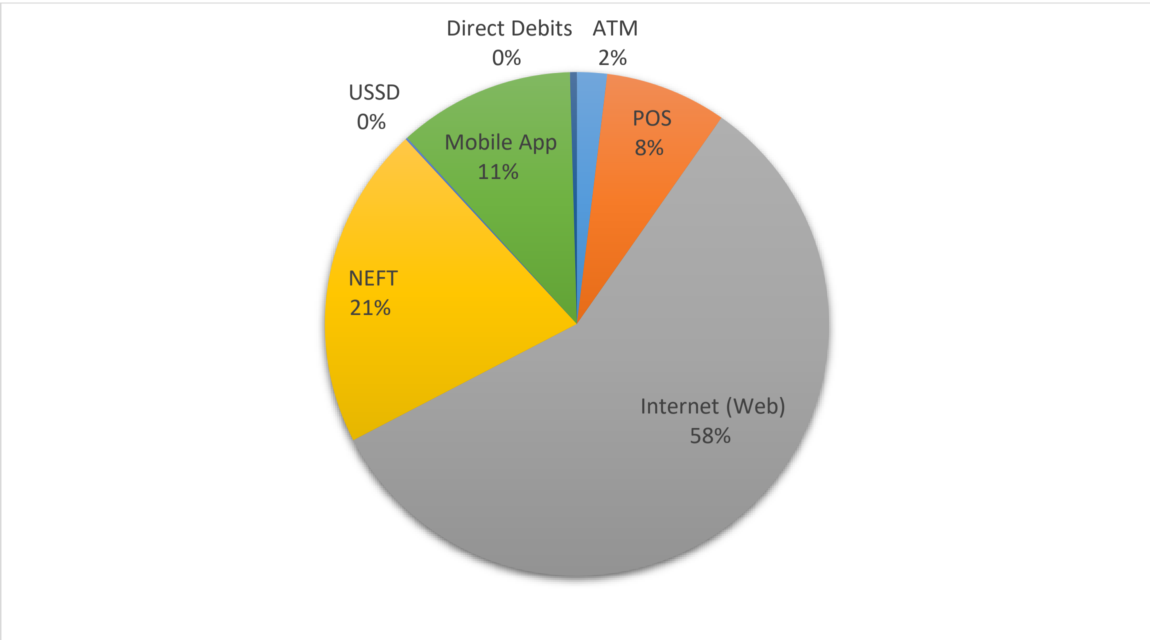


Table 4.2: Electronic Transactions

Payment Channels	Number of Terminals			Volume of Transactions (Million)			Value of Transactions (N'Trillion)		
	End-Jun 2024	End-Dec 2024	End-Jun 2025	End-Jun 2024	End-Dec 2024	End-Jun 2025	End-Jun 2024	End-Dec 2024	End-Jun 2025
ATM	17,804	17,614	17,596	496.44	525.84	858.80	12.21	16.91	36.34
POS	2,935,765	5,560,422	6,252,113	6,395.67	6,679.66	7,723.26	85.91	137.36	147.20
Internet (Web)	-	-	-	11,638.14	12,099.44	10,769.91	825.50	1,055.18	1,086.89
NEFT	-	-	-	44.83	42.32	37.17	366.07	319.98	391.24
USSD	-	-	-	252.06	301.78	386.25	2.19	2.23	2.40
Mobile App	-	-	-	3,493.12	4,529.20	4,424.17	159.42	233.29	213.58
Direct Debits	-	-	-	99.27	58.10	35.47	12.52	10.79	8.25
Total Retail Payments	-	-	-	**22,419.53**	**24,236.34**	**24,235.03**	**1,463.82**	**1,775.74**	**1,885.90**
RTGS	-	-	-	0.18	0.20	0.22	95.09	124.11	226.06
Total Epayments	**-**	**-**	**-**	**22,419.71**	**24,236.54**	**24,235.25**	**1,558.91**	**1,899.85**	**2,111.96**
Cheques	-	-	-	6.88	7.48	7.13	8.76	10.24	9.72
MMOs	-	-	-	7,181.49	10,156.56	12,731.25	78.19	127.11	161.77

4.6. Other Developments

4.6.1. Unclaimed Balances Trust Fund

The total amount received into the Unclaimed Balances Trust Fund (UBTF) pool accounts were ₦16.7 billion, US$10.7 million, £996,000 and €574,000 at end-June 2025, compared with ₦10.16 billion, US$0.14 billion, £0.12 million and €0.06 million in the second half of 2024.

4.6.2. Pan-African Payment and Settlement System

The volume and value of transactions settled on Pan-African Payment and Settlement System (PAPSS) for Nigerian participants decreased to 3,246 and ₦5.6 billion, respectively in the first half of 2025, compared with 4,600 and ₦11.97 billion in the preceding half year.

Box 3: Pan-African Payment and Settlement System

The Pan-African Payment and Settlement System (PAPSS) is a centralised payments and settlement system developed by the African Export-Import Bank (Afreximbank) in collaboration with the African Union. The system is a secure multi-currency platform, that enables real-time gross settlement with low transaction costs. It supports three core processes: instant payment, pre-funding and net settlement.

PAPSS enables efficient cross-border flow of money within Africa, minimising risk and contributing to financial integration and boosting intra-African trade.

The system is regulated in accordance with the PAPSS bye-law, the overarching framework for the operation and governance of the payments and settlement system. The bye-law outlines the Scheme Rules and technical standards essential for facilitating a stable and effective international payments system.

5. DEPOSIT INSURANCE

5.1. Deposit Guarantee

The Nigeria Deposit Insurance Corporation (NDIC) continued to guarantee payments to depositors, in the event of failure of an insured financial institution, to a maximum of ₦5,000,000.00 per depositor of CMNBs & MMOs and ₦2,000,000.00 per depositor of PMBs, PSBs and MFBs.

5.2. Deposit Insurance Coverage

The number of fully insured depositors of CMNBs, including MMOs, with deposit balances within the maximum coverage level of ₦5,000,000.00 and below stood at 99.24 per cent of 299,693,572 depositors.

The value of fully insured deposits was ₦12,685.60 billion (12.24 per cent) of total deposits of ₦103,665.14 billion, compared with ₦14,250.51 billion (14.27 per cent) of total deposits of ₦99,891.19 billion at end-December 2024.

A total of 229,657 insiders' (directors and staff) deposits of ₦201.66 billion were not covered under the deposit insurance scheme to mitigate moral hazard.

Table 5.1: Deposit Insurance Coverage for CMNBs and MMOs

	End-Dec 2024		End-Jun 2025	
Category of Depositors	Number of Depositors by BVN	Value of Deposits ₦ Million	Number of Depositors by BVN	Value of Deposits ₦ Million
<=₦5,000,000	219,731,094	14,250,504.93	297,420,917	12,685,601.17
>₦5,000,000	1,346,714	85,439,179.21	2,042,998	90,777,879.27
Insiders (Directors & Staff)	221,339	201,506.85	229,657	201,663.78
TOTAL	**221,299,147**	**99,891,190.99**	**299,693,572**	**103,665,144.22**
Fully insured to Total Accounts (%)	**99.29**	**14.27**	**99.24**	**12.24**

Source: NDIC

The number of fully insured depositors of PSBs with balances within the maximum coverage limit of ₦2,000,000.00, stood at 53,633,134, accounting for 99.99 per cent of the depositors. The amount fully insured was ₦15,092.67 million (23.32 per cent), compared with ₦11,361.33 million (38.01 per cent) in the preceding period.

Table 5.2: Deposit Insurance Coverage for PSBs

	End-Dec 2024		End-Jun 2025	
Category of Depositors	**Number of Depositors by BVN**	**Value of Deposits ₦ Million**	**Number of Depositors by BVN**	**Value of Deposits ₦ Million**
<=₦2,000,000	2,370,631	11,361.33	2,997,032	15,092.67
>₦2,000,000	229	18,142.29	353	49,180.41
Insiders (Directors & Staff)	426	384.91	542	445.15
TOTAL	**2,371,286**	**29,888.53**	**2,997,927**	**64,718.23**
Fully insured to Total Accounts (%)	**99.97**	**38.01**	**99.970**	**23.32**

Source: NDIC

In general, the percentage of fully insured depositors exceeded the range of 90 to 95 per cent recommended by the International Association of Deposit Insurers (IADI).

5.3. Deposit Insurance Funds

The balance in the Deposit Insurance Fund (DIF) increased by 20.51 per cent to ₦2,746.86 billion. Similarly, the balances in the Non-Interest Deposit Insurance Fund (NIDIF), Special Insured Institutions Fund (SIIF) and Payment Service Deposit Insurance Fund (PSDIF) rose by 31.21, 4.35, and 4.76 per cent to ₦40.53 billion, ₦256.62 billion and ₦0.88 billion, respectively. The increases were largely attributed to premium collections from insured institutions.

Table 5.3: Balances of Insurance Funds

Fund Type	**Institution Covered**	**End-Dec 2024**	**End-Jun 2025**	**% Change**
		₦ Billion		
DIF	Commercial and Merchant Banks	2,279.36	2,746.86	20.51
NIDIF	Non-interest Banks	30.89	40.53	31.21
SIIF	Microfinance/Primary Mortgage Banks	245.93	256.62	4.35
PSDIF	Payment Service Banks	0.84	0.88	4.76

Source: NDIC

5.4. Payment of Insured Deposit and Liquidation Dividends

The total number of insured financial institutions in liquidation remained 651, comprising 50 CMBs, 546 MFBs, and 55 PMBs[7]. The liquidation process aims to ensure the payment of a guaranteed sum, recovery of debts owed to closed banks, sales of physical assets, and

[7] CMBs refer to commercial and merchant banks

payment of liquidation dividends to claimants, with priority to the uninsured sums whose deposit balances are more than the maximum guaranteed balance of ₦5,000,000.00 or ₦2,000,000.00, as applicable, under the Corporation's deposit insurance.

5.4.1. Payments to Insured Depositors

The sums of ₦2.94 billion and ₦0.03 billion were paid to 6,127 and 285 depositors of closed CMBs and MFBs, compared with ₦39.54 billion and ₦0.01 billion paid to 565,490 and 158 depositors at end-December 2024. Cumulatively, the sums of ₦60.97 billion and ₦5.17 billion had been paid to 1,152,146 and 135,943 insured depositors of 50 CMBs and 546 MFBs in-liquidation.

Additionally,10 insured depositors of PMBs in-liquidation were paid ₦3.44 million compared with ₦1.97 million paid to six insured depositors in the second half of 2024. Cumulatively, the sum of ₦368.08 million had been paid to 2,703 depositors of 55 closed PMBs.

Table 5.4 Payments to Insured Depositors of Banks In-Liquidation

	For the		Cumulative as at
	Second Half 2024	First Half 2025	End-June 2025
	₦' Million		₦' Million
CMBs	*39,542.96	2,941.03	60,976.55
MFBs	*8.26	26.33	5,174.16
PMBs	*1.97	3.44	368.08
GRAND TOTAL	**39,553.20**	**2,970.79**	**66,518.79**

*Source: NDIC *Revised*

5.4.2. Payments to Uninsured Depositors[8]

The sums of ₦31.16 billion and ₦1.64 million were paid to uninsured depositors of 50 CMBs and 546 MFBs in-liquidation, respectively. Cumulative payment to uninsured depositors of CMBs and MFBs stood at ₦137.12 billion and ₦248.90 million, respectively, at end-June 2025.

There was no payment to uninsured depositors of PMBs in-liquidation in the first half of 2025 and second half of 2024, thus, cumulative payments remained ₦261.99 million.

Table 5.5: Payments to Uninsured Depositors of Banks In-Liquidation

	Six-Month Period		Cumulative as at
	Second Half 2024	First Half 2025	End-Jun 2025
	₦'Million		₦' Million
CMBs	*193.11	31,162.58	137,118.82
MFBs	0.25	1.64	248.90
PMBs	-	-	261.99
GRAND TOTAL	**193.36**	**31,164.22**	**137,629.89**

[8] Uninsured deposits refer to deposits in excess of maximum deposit insurance coverage

*Source: NDIC *Revised*

5.4.3. Payments to Creditors and Shareholders of Banks In-Liquidation

There was no payment to creditors of closed CMBs in the first half of 2025, hence, cumulative payments remained ₦1.28 billion. The sum of ₦2.59 million was paid to four creditors of MFBs in-liquidation in the first half of 2025 and the cumulative payment of ₦3.20 million was paid to five creditors of closed MFBs at end-June 2025.

The sum of ₦0.42 million was paid to a shareholder of closed CMB, compared with nil payment during the second half of 2024. The payments to shareholders of 50 CMBs in liquidation cumulated to ₦4,899.55 million at end-June 2025, compared with ₦4,899.13 million at end-December 2024.

Table 5.6: Payments to Creditors of Banks In-Liquidation

	Six-Month Period		Cumulative as at
	Second Half 2024	First Half 2025	End-Jun 2025
	₦' Million		₦' Million
CMBs	0.00	0.00	1,282.50
MFBs	0.00	2.59	3.20
PMBs	0.00	0.00	0.00
GRAND TOTAL	**0.00**	**2.59**	**1,285.70**

Source: NDIC

5.5. Recovery of Failed Banks' Assets

5.5.1. Risk Assets Recovery

The sum of ₦3.23 billion was recovered from banks in-liquidation (comprising ₦3.16 billion, ₦47.19 million, and ₦19.43 million from CMBs, MFBs and PMBs, respectively), compared with the sum of ₦2.17 billion (₦2.08 billion, ₦29.68 million and ₦65.41 million from CMBs, MFBs and PMBs, respectively) in the preceding period.

Table 5.7: Risk Assets Recovery for Banks In-Liquidation

	Six-Month Period		Cumulative as at
	Second Half 2024	First Half 2025	End-Jun 2025
	₦' Million		₦' Million
CMBs	2,078.37	3,160.54	36,701.52
MFBs	29.68	47.19	485.49
PMBs	65.41	19.43	1,016.29
GRAND TOTAL	**2,173.46**	**3,227.16**	**38,203.30**

Source: NDIC

5.5.2. Disposal of Physical Assets

The sum of ₦27,960.82 million was realised from physical assets and rent on properties of banks in-liquidation, comprising ₦27,910.86 million, ₦21.68 million and ₦28.28 million from CMBs, MFBs and PMBs, respectively.

Table 5.8: Disposal of Physical Assets

	Six-Month Period		Cumulative as at
	Second Half 2024	First Half 2025	End-Jun 2025
	₦' Million		₦' Million
CMBs	4,649.82	27,910.86	55,088.95
MFBs	174.97	21.68	1,320.37
PMBs	3.39	28.28	265.27
GRAND TOTAL	**4,828.18**	**27,960.82**	**56,674.59**

Source: NDIC

5.5.3. Realisation of Investments and Fixed Assets

The sum of ₦2.60 billion was realised from investments of banks in-liquidation during the first half of 2025, comprising ₦2.59 billion and ₦4.71 million, for CMBs and MFBs, respectively. The sum of ₦9.43 billion has been realised from investments of banks in-liquidation from inception.

Table 5.9: Realisation of Investments of Banks In-Liquidation

	Six-Month Period		Cumulative as at
	Second Half 2024	First Half 2025	End-Jun 2025
	₦' Million		₦' Million
CMBs	788.04	2,590.30	9,183.68
MFBs	38.52	4.71	169
PMBs	0.16	0.00	75.05
GRAND TOTAL	**826.72**	**2,595.00**	**9,427.73**

Source: NDIC

5.6. Other Developments

5.6.1. Fit and Proper Persons Enquiries

A total of 482 requests for Fit & Proper Persons enquiries were received and due diligence conducted. A total of 159 incomplete requests were returned, while 15 required further investigations.

5.6.2. Fidelity Insurance Coverage

In the first half of 2025, 32 out of 38 CMBs and four out of five PSBs submitted evidence of their Fidelity Insurance Coverage. In addition, 55.00 per cent of the CMBs and 80.00 per cent of the PSBs maintained adequate Fidelity Insurance Coverage of 15.00 per cent of paid-up capital.

5.6.3. Whistle Blowing

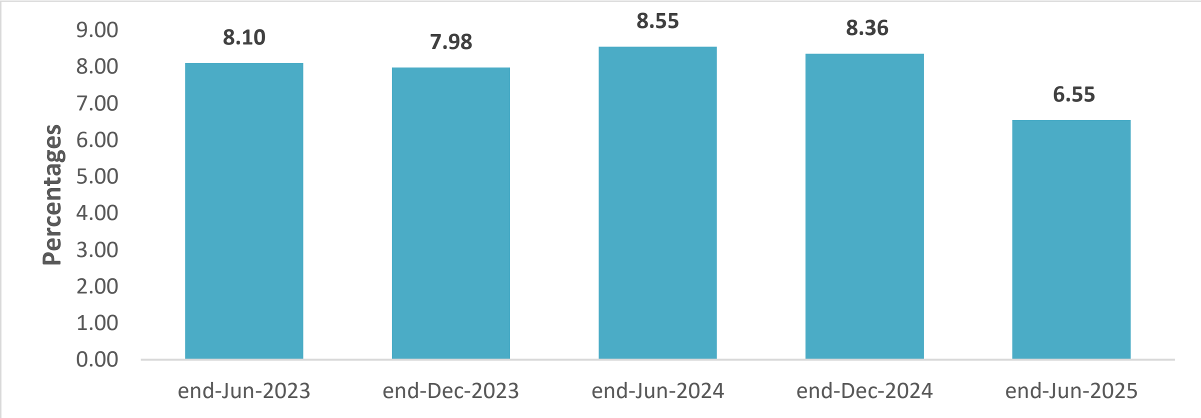
A total of 170 out of 296 whistle-blowing cases, bordering on service delivery inadequacies, theft and cash suppression among others, were resolved.

6. PENSIONS

The pension industry recorded steady growth reflecting improvement in the macroeconomic environment, marked by decline in inflation, stable exchange rate and fiscal consolidation.

Pension Assets under Management (AuM) grew by 9.41 per cent to ₦24,629.97 billion from ₦22,512.35 billion in the second half of 2024, driven largely by higher investment returns and additional contributions received. However, the pension asset-to-GDP ratio declined to 6.55 per cent from 8.36 per cent, largely owing to the rebasing of GDP (Appendix 14).

Figure 6.1: Total Pension Assets to GDP Ratio



6.1. Other Developments in the Nigerian Pension Industry

6.1.1. RSA Membership

RSA membership under the Contributory Pension Scheme (CPS) increased to 10.80 million from 10.58 million in the second half of 2024. The growth reflects rising compliance among private sector employers and gradual adoption by subnational entities. In addition, the Personal Pension Plan (formerly Micro Pension Plan) recorded over 15,000 new registrations during the period, signalling growing participation by the informal sector and improved financial inclusion.

6.1.2. Retirement Savings Account Transfer

The volume and value of RSA transfers rose by 38.6 and 17.4 per cent to 60,669 and ₦435.48 billion, respectively. The growth demonstrated rising contributors' confidence, enhanced operational efficiency and increased market dynamics.

6.1.3. Accrued Pension Rights Payments

The Federal Government released ₦67.35 billion for the final settlement of accrued pension rights arrears owed to 17,822 retirees, bringing cumulative payments to ₦1,211.07 billion. This demonstrated Government commitment to ensure timely benefit payments.

Table 6.1: Accrued Rights Payments

Payment Period	End-Dec 2024	End-Jun 2025
Number of Retirees	15,686	17,822
Accrued Rights Paid (₦ billion)	62,692,846,600	67,350,722,000

6.1.4. Policy and Operational Reforms

The Pension Contribution Remittance System (PCRS) was operationalised through licensed Payment Solution Service Providers (PSSPs), improving remittance integrity and reconciliation efficiency across public and private sector employers. To reduce turnaround time and enhance service delivery to retirees, 'benefit approval authority' was delegated to PFAs to enable direct processing of retirement and death benefits.

The combination of policy reforms, sustained asset growth and operational improvements have reinforced public confidence in the CPS.

7. INSURANCE

7.1. Assets and Premium Income

The total assets of the insurance industry rose by 13.98 per cent to ₦4,397.20 billion from ₦3,857.60 billion at end-December 2024. Gross written premium and total net premium were ₦1,213.70 billion and ₦598.60 billion, respectively, while total gross claims amounted to ₦420.20 billion in the first half of 2025.

Table 7.1: Assets and Premium Income

Period	End-Dec 2024 ₦ billion	End-Jun 2025 ₦ billion
Total Assets	3,857.60	4,397.20
Gross Premium Income	1,583.60	1,213.70
Net Premium Income	928.40	598.60
Total (Gross) Claims	**731.10**	**420.20**

Source: NAICOM

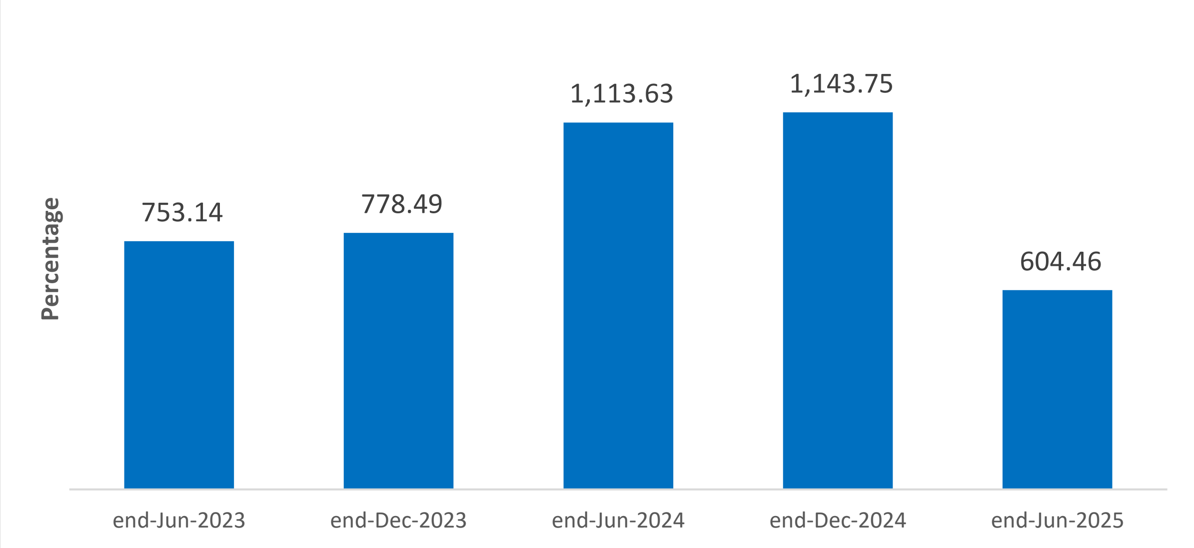
7.2. Key Insurance Industry Financial Soundness Indicators

7.2.1. Capital Adequacy and Leverage

The industry remained solvent, with a CAR of 42.00 per cent, compared with 42.70 per cent at end-December 2024. Nonetheless, this level remained above the regulatory threshold of 40.00 per cent. Similarly, total capital to total invested assets declined by 539.29 percentage points, to 604.46 per cent from 1,143.75 per cent at end-December 2024. The contraction was primarily driven by a 138.52 per cent (₦314.79 billion) increase in total invested assets, which outweighed the 26.06 per cent (₦146.32 billion) rise in total capital.

The sustained strength of the capital-to-invested-assets ratio reinforces confidence in the solvency and risk-bearing capacity of insurance firms. The indicators also signalled a stable operating environment, which are essential for policyholder protection, investor confidence and the sector's contribution to broader financial system stability.

Figure 7.1: Equity to Total Invested Assets



7.2.2. Liquidity

The industry's liquidity level remained above the regulatory threshold of 100.00 per cent and sufficient to cover significant claims, as liquid assets to current liabilities ratio increased by 2.71 percentage points to 124.36 per cent from 121.65 per cent at end-December 2024.

7.2.3. Other Prudential Ratios

The retention ratio, measured as insurance premium retained to total premium generated, increased by 1.30 percentage points to 74.97 per cent from 73.67 per cent at end-December 2024, signifying the industry's ability to retain a significant share of its risk portfolio.

The combined ratio, which measures the underwriting performance of insurers, increased by 15.43 percentage points to 76.89 per cent from 61.46 per cent in the preceding half-year. The outcome, however, was below the 100.00 per cent threshold.

Table 7.2 Insurance Industry Dashboard

KEY INDICATORS	Threshold %	End-Dec 2024	End-Jun 2025	% Change
CAR (Capital/Total Asset)	Not less than 30.00	42.70	42.00	0.70
Liquidity Ratio (liquid assets/current liabilities)	Not less than 100.00	121.65	124.36	2.71
Claims Ratio	Not less than 40.00	58.30	42.74	15.56
Expense Ratio	Not more than 35.00	23.16	34.15	10.99
Combined Ratio	Not more than 80.00	61.46	76.89	17.43

Underwriting Profit Margin		44.63	18.44	26.19
Investment to Total Assets Ratio	Not less than 65.00	76.80	69.65	7.15
Change in Gross Written Premium	± 33.00	35.02	39.82	4.80
Change in Net Written Premium		35.19	37.51	2.32
Change in Capital & Surplus	-10.00 - +35.00	11.43	13.66	2.23
Retention Ratio	Not less than 60.00	73.67	74.97	1.30
Return on Assets	Not less than 2.00	2.06	3.33	1.27

8. RISKS TO THE FINANCIAL SYSTEM

8.1. Credit Risk

Risk Rating (Medium Risk, Trending upward)	↑

The NPL ratio of CMNBs was 5.76 per cent, indicating an increase in credit risk, compared with 4.87 per cent in the preceding half-year. However, the NPL ratios of DFI, PMB, MFB and FC sub-sectors improved in the review period. The ongoing recapitalisation efforts of CMNBs and expanded implementation of the GSI are expected to bolster loss-absorption buffers.

On the back of fiscal and FX reforms, Nigeria's sovereign credit ratings improved to 'B' with a stable outlook in the first half of 2025. In the latter half of the year, credit risk might be impacted by oil price volatility, high inflation and fiscal consolidation challenges. Additionally, the impact of forbearance exit, high interest rates, together with tighter financial conditions and reduced disposable income are expected to elevate the trend. However, enhanced supervision of banks and implementation of robust loan recovery frameworks will moderate the trend.

8.2. Liquidity Risk

Risk Rating (Low Risk, Stable)	↔

The banking industry demonstrated resilience to funding shocks as the liquidity ratio improved significantly to 53.05 from 48.62 per cent at end-December 2024. This improvement was driven by increased holdings of treasury securities, placements at the deposit facility, coupled with buoyant diaspora remittances and oil revenues.

The liquidity of the industry is expected to remain strong in the second half of 2025. Furthermore, the strengthening of the FX market and relative naira stability are expected to sustain improved FX liquidity. However, risk remain due to oil revenue shortfalls and external debt servicing obligations in the second half of the year.

8.3. Market Risk

Risk Rating (Medium Risk, Stable)	↔

The domestic financial markets remained liquid and resilient despite the global geopolitical tensions and uncertainties. The Naira remained stable, averaging ₦1,529.74/US$, demonstrating the continued impact of the foreign exchange reforms supported by improved transparency, strong equity market performance, steady FX inflows and improved market conduct. Crude oil and gas revenues rose to ₦5.21 trillion, while non-crude exports surged to ₦18.43 trillion, contributing to improved FX liquidity.

Interbank, overnight and prime lending rates were high in the review period, driven by the tight monetary policy stance of the Bank in its bid to control inflation.

The strong performance of the NGX is projected to continue in H2 2025, driven by bank recapitalisation, robust earnings, foreign inflows, and currency stability. While optimism persists, lingering trade wars, geopolitical tensions and global trade disruptions could dampen foreign portfolio flows, thereby increasing vulnerability to sudden reversals.

8.4. Operational and Cybersecurity Risk

Risk Rating (Medium, Trending up)	⇧

In response to the significant fraud losses of ₦52.26 billion at end-December 2024, banks intensified investments in resilient operating platforms, digital infrastructure, and business continuity frameworks. Consequently, fraud losses declined to ₦15.47 billion at end-June 2025. Notwithstanding, fraud risk remains a challenge in the banking industry, as 70.00 per cent of the losses were linked to digital channels, including mobile platforms and virtual assets.

Additionally, cybersecurity challenges remained elevated during the review period as incidents of social engineering, unauthorised access to confidential information, insider threats and third-party risks continued to rise.

The Bank assessed cybersecurity maturity for banks across key domains. The results indicated gaps which were communicated to the institutions for remediation. The Bank also issued cybersecurity advisories to institutions, emphasising preventive measures, monitoring of vendor access, and escalation protocols for cyber incidents. These regulatory actions, combined with enhanced cybersecurity investments, enforcement of the cybersecurity framework by financial institutions and adoption of stronger authentication protocols, as well as fraud detection tools are expected to safeguard financial integrity and maintain public trust.

8.5. Macroeconomic Risk

Risk Rating (Medium, Stable)	⇔

During the review period, the domestic economy was impacted by elevated geopolitical risks driven by conflicts in the Middle East, U.S. trade policies, and increasing global uncertainties. In the first half of 2025, fiscal vulnerabilities persisted due to high debt, which portends concern over long-term debt sustainability. In response to these macroeconomic headwinds, the Bank implemented FX reforms and sustained contractionary policy stance to ensure price stability. In addition, the Bank strengthened collaboration with the fiscal authority to address structural risks.

9. Outlook

On the global front, geopolitical tensions and fragmentation, sweeping tariff changes, trade protectionism and inflationary pressures, will continue to pose risks to financial stability and economic growth.

Notwithstanding the threats, the domestic economy recorded improvements in the first half of the year as evidenced by an output growth of 3.68 per cent, alongside easing inflationary pressures. The outlook for the second half of 2025 remains positive, predicated on the sustained implementation of monetary, fiscal and economic reforms.

In the foreign exchange market, continued implementation of foreign exchange reforms, in particular, the use of EFEMs platform and sustained adherence to the FX Code, is expected to promote ethical market conduct, enhance market transparency, improve FX liquidity and boost investor confidence.

The financial soundness indicators in the first half of 2025 revealed financial system resilience. Although there was an uptick in non-performing loans, ongoing recapitalisation measures for financial institutions, sustained supervisory and regulatory measures, micro and macro prudential policies and enhanced corporate governance are expected to promote financial system stability.

The outlook for the second half of 2025 is cautiously optimistic as high debt profile portends long-term debt sustainability concerns. Nevertheless, the projected increase in oil production and higher non-oil revenue from tax reforms are expected to improve debt sustainability. Above all, the sustained reform momentum, regulatory vigilance and enhanced synergy between the monetary and fiscal authorities would ensure continued resilience.

10. APPENDIX 1: SECTORAL CONTRIBUTIONS TO REAL GDP GROWTH

Sector	H1 2020	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024	H1 2025
Agriculture	**0.42**	**0.66**	**0.41**	**0.68**	**0.50**	**0.48**	**0.07**	**0.47**	**0.18**	**0.40**	**0.39**
Of which: Crop Production	0.37	0.63	0.38	0.68	0.45	0.48	0.38	0.48	0.34	0.39	0.62
Industry	**-1.17**	**-1.42**	**-0.02**	**-0.17**	**-1.05**	**-0.87**	**-0.15**	**0.37**	**0.56**	**0.35**	**0.94**
Of which: Oil	-0.07	-1.40	-0.66	-0.69	-1.64	-1.17	-0.56	0.24	0.44	0.17	0.40
Manufacturing	-0.38	-0.13	0.32	0.29	0.42	0.04	0.18	0.08	0.13	0.11	0.15
Services	**-1.43**	**-0.94**	**2.31**	**3.50**	**3.87**	**3.30**	**2.49**	**2.16**	**2.34**	**2.90**	**2.35**
Of which: Finance & Insurance	0.63	-0.02	-0.06	0.68	0.78	0.41	1.05	1.08	1.59	1.36	0.48
ICT	1.62	1.81	0.95	1.02	1.49	1.54	1.63	1.03	0.91	0.97	0.74
Real GDP Growth	**-2.18**	**-1.70**	**2.70**	**4.01**	**3.32**	**2.91**	**2.41**	**3.00**	**3.08**	**3.65**	**3.68**

Source: National Bureau of Statistics

11. APPENDIX 2: INDICES OF SELECTED STOCK MARKETS

Country	Stock Index	End-June 2023	End-Dec 2023	End-June 2024	End-Dec 2024	End-June 2025	% Change
		1	2	3	4	5	(5) & (4)
AFRICA							
Nigeria	NGX All-Share Index	60,968.27	74,773.77	100,057.49	102,926.00	119,978.57	16.57
South Africa	JSE All-Share Index	76,027.83	76,893.15	79,707.11	84,095.14	96,429.74	14.67
Kenya	Nairobi NSE 20 Index	1,574.92	1,501.16	1,656.50	2,010.65	2,440.26	21.37
Egypt	EGX CASE 30	17,665.29	24,691.43	27,766.27	29,740.58	33,206.76	11.65
Ghana	GSE All-Share Index	2,808.36	3,130.57	3,829.94	4,888.82	6,248.57	27.81
NORTH AMERICA							
US	S&P 500	3,407.60	4,769.83	5,480.37	5,881.63	6,204.95	5.49
Canada	S&P/TSX Composite	20,155.29	20,958.44	21,875.79	24,727.94	26,857.12	8.61
Mexico	Bolsa	53,526.10	57,386.25	52,453.72	49,513.27	57,450.88	16.03
SOUTH AMERICA							
Brazil	Bovespa Stock	118,087.00	134,185.24	123,906.55	120,283.00	138,855.00	15.44
Argentina	Merval	426,281.00	929,704.20	1,611,295.13	2,534,000.00	1,995,000.00	-21.27
Columbia	COLCAP	1,133.60	1,195.20	1,380.90	1,379.58	1,668.33	20.93
EUROPE							
UK	FTSE 100	7,531.53	7,733.24	8,164.12	8,173.02	8,760.96	7.19
France	CAC 40	7,400.06	7,543.18	7,479.40	7,380.74	7,665.91	3.86
Germany	DAX	16,147.90	16,751.64	18,235.45	19,909.14	23,909.61	20.09
ASIA							
Japan	NIKKEI 225	33,189.04	33,464.17	39,583.08	39,894.54	40,487.39	1.49
China	Shanghai SE A	3,356.65	3,119.10	3,110.91	3,513.38	3,610.31	2.76
India	BSE Sensex	64,718.56	72,271.94	79,032.73	78,139.01	83,606.46	6.99

Source: Bloomberg

12. APPENDIX 3: PERFORMANCE OF SELECTED CURRENCIES AGAINST THE US DOLLAR

Country	Currency		End-June 2024	End-December 2024	End-June 2025	Change (%) App + /Dep -
			a	b	c	b/c
AFRICA						
Nigeria	Naira		1514.2800	1544.0800	1532.7500	0.73
South Africa	Rand		18.1933	18.8432	17.7118	6.00
Kenya	Shilling		129.2300	129.3000	129.2300	0.05
Egypt	Pound		48.0786	50.8379	49.6000	2.43
Ghana	Cedi		15.3150	14.7000	10.3500	29.59
NORTH AMERICA						
Canada	Dollar		1.3679	1.4384	1.3608	5.4
Mexico	Peso		18.3183	20.8272	18.7475	10.0
SOUTH AMERICA						
Brazil	Real		5.5940	6.1774	5.4317	12.07
Argentina	Peso		911.5066	1030.9850	1203.6274	-16.75
Colombia	Peso		4153.0800	4405.7700	4099.5100	6.95
EUROPE						
UK	Pound		0.7908	0.7990	0.7282	8.86
Euro Area	Euro		0.9334	0.9659	0.8484	12.16
ASIA						
Japan	Yen		160.8800	157.2000	144.0300	8.38
China	Renminbi		7.2673	7.2993	7.1638	1.86
India	Rupee		83.3913	85.6087	85.7525	-0.17

Bloomberg: https://www.bloomberg.com

13. APPENDIX 4: MONETARY POLICY RATES OF SELECTED COUNTRIES

Countries	End-June 2023	End-Dec 2023	End-June 2024	End-Dec 2024	End-Jun 2025
Developed Economies					
Japan	-0.10	-0.10	0.10	0.25	0.50
Europe	4.00	4.50	4.25	3.15	2.15
UK	5.00	5.25	5.25	4.75	4.25
US	0.00-5.25	0.00-5.50	0.00-5.50	0.00-4.50	0.00-4.50
Canada	4.75	5.00	4.75	3.25	2.75
South Korea	3.50	3.50	3.50	3.00	2.50
New Zealand	5.50	5.50	5.50	4.25	3.25
Australia	4.10	4.35	4.35	4.35	3.85
Indonesia	5.75	6.00	6.25	6.00	5.50
Malaysia	3.00	3.00	3.00	3.00	3.00
Emerging Markets and Developing Economies					
Brazil	13.75	11.75	10.50	12.25	15.00
Russia	7.50	16.00	16.00	21.00	20.00
India	6.50	6.50	6.50	6.50	5.50
China	3.65	3.45	3.45	3.10	3.00
South Africa	8.25	8.25	8.25	7.75	7.25
Other Emerging Economies					
Mexico	11.25	11.25	11.00	10.00	8.00
Chile	11.25	8.25	5.75	5.00	5.00
Colombia	13.25	13.00	11.25	9.50	9.25
Africa					
Egypt	18.25	19.25	27.25	27.25	24.00
Ghana	29.50	30.00	29.00	27.00	28.00
Nigeria	18.50	18.75	26.25	27.50	27.50

14. APPENDIX 5: EXTERNAL RESERVE

Year	H2 Inflow in US$	H2 Outflow in US$	H1 Inflow in US$	H1 Outflow in US$	Total Inflow in US$	Total Outflow in US$	Net Flow in US$
2020	15.15	14.92	24.84	27.33	39.99	42.24	-2.53
2021	26.42	17.96	14.06	17.64	40.48	35.61	4.87
2022	13.49	16.05	16.40	16.89	29.89	32.94	-3.05
2023	11.39	12.15	12.58	15.22	23.96	27.37	-3.40
2024	23.60	17.53	16.58	14.72	40.18	32.25	7.94
2025			18.34	20.47	28.40	25.68	2.72

15. APPENDIX 6: OUTSTANDING DEBT INSTRUMENTS

Instrument	End-Dec 2020	End-Jun 2021	End-Dec 2021	End-Jun 2022	End-Dec 2022	End-Jun 2023	End-Dec 2023	End-June 2024	End-Dec 2024	End-Jun 2025	% Change (Dec - Jun 2025)	Proportion of Total (Jun-2025)
(a) Federal Government	**16,023.88**	**17,631.80**	**19,242.56**	**20,948.94**	**22,210.37**	**48,314.74**	**53,258.01**	**66,957.88**	**70,409.86**	**76,587.09**	**8.77**	**50.25**
Nig. Treasury Bills	2,720.43	2,991.87	3,786.14	4,504.80	4,422.72	4,722.72	6,522.00	11,808.18	12,351.12	12,764.08	3.34	8.38
FGN Bonds	11,830.26	13,245.27	13,963.22	15,194.10	16,421.56	41,972.74	44,260.22	52,315.23	55,436.12	60,645.22	9.40	39.79
FGN Savings Bonds	12.29	15.54	16.42	20.86	27.51	30.70	39.17	55.20	72.87	91.53	25.61	0.06
FGN Sukuk	362.56	362.56	612.56	612.56	742.56	742.55	1,092.56	1,092.56	992.56	1,292.56	30.22	0.85
FGN Green Bonds	25.69	25.69	25.69	25.69	15.00	15.00	15.00	15.00	15.00	62.35	315.67	0.04
Nig. Treasury Bonds	100.99	100.99	75.99	75.99	50.99	50.99	0.00	0.00	0.00	0.00	0.00	0.00
FGN Promissory Notes	971.66	889.88	762.54	514.94	530.03	780.04	1,329.06	1,671.71	1,542.19	1,731.36	12.27	1.14
(b) Sub-National	**4,186.01**	**4,122.32**	**4,458.24**	**5,281.28**	**5,337.75**	**5,815.68**	**5,862.85**	**4,267.11**	**3,968.06**	**3,963.93**	**-0.10**	**2.60**
Total Domestic Debt	**20,209.89**	**21,754.12**	**23,700.80**	**26,230.22**	**27,548.12**	**54,130.42**	**59,120.86**	**71,224.99**	**74,377.92**	**80,551.03**	**8.30**	**52.86**
(c) External	**12,705.62**	**13,710.88**	**15,855.23**	**16,615.66**	**18,702.25**	**33,248.98**	**38,219.85**	**63,072.68**	**70,287.53**	**71,847.59**	**2.22**	**47.14**
Multilateral	6,832.72	7,524.80	7,704.86	7,944.96	9,061.36	16,016.77	19,021.60	31,792.78	34,263.33	35,464.36	3.51	23.27
Bilateral	1,546.63	1,741.24	1,844.43	1,949.53	2,272.89	4,251.27	5,358.08	8,656.09	9,350.79	9,488.61	1.47	6.23
Commercial	4,255.14	4,370.40	6,057.88	6,477.24	7,251.38	12,749.83	13,597.33	22,226.86	26,589.17	26,483.41	-0.40	17.38
Syndicated Loan	71.13	74.44	248.06	243.93	116.62	231.11	242.84	396.95	84.24	411.21	388.14	0.26
Total Debt	**32,915.51**	**35,465.00**	**39,556.03**	**42,845.88**	**46,250.37**	**87,379.40**	**97,340.71**	**134,297.67**	**144,665.45**	**152,398.61**	**5.35**	**100.00**

16. APPENDIX 7: REAL SECTOR INITIATIVES: SUMMARY OF DISBURSEMENTS AND REPAYMENTS

ITEM		Jul-Dec 2024		Jan-Jun 2025	
S/N	Intervention	Disbursement (₦' Billion)	Repayment (₦' Billion)	Disbursement (₦' Billion)	Repayment (₦' Billion)
1	Power and Airline Intervention Fund (PAIF)	-	-	-	-
2	Nigerian Electricity Market Stabilization Fund (NEMSF)	-	17.42	-	3.39
3	Nigerian Electricity Market Stabilization Fund- 2 (NEMSF 2)	9.29	17.02	1.33	13.02
4	Nigerian Electricity Market Stabilization Fund-3 (NEMSF-3)	34.25	3.36	-	4.55
5	Nigerian Bulk Electricity Trading- Payment Assurance Fund (NBET-PAF)	-	-	-	-
6	Family Homes Intervention Facility (FHIF)	-		-	-
7	Solar Connection Facility (SCF)	-	0.87	-	0.89
8	National Mass Metering Programme (NMMP)	-	3.27	-	2.94
9	Intervention Facility for National Gas Expansion (IFNGEP)	-	11.84	-	3.49
10	CBN-Bank Of Industry Intervention Fund (CBIF)	-	-	-	-
11	Real Sector Support Facility (RSSF)	-	12.03	-	10.38
12	Textile Sector Intervention Facility (TSIF)	-	3.62	-	-
13	Revived-Textile Sector Intervention Facility (Reviv-TSIF)	-	3.54	-	-
14	Differentiated Cash Reserve Requirement (RSSF-DCRR)	-	203.76	-	155.13
15	Small & Medium Enterprise Restructuring & Refinancing Facility (SMERRF)	-	-	-	-
16	Health Sector Intervention Facility (HSIF)	-	9.72	-	8.71
17	Covid-19 Intervention for the Manufacturing Sector (CIMS)	-	-	-	-
18	Health Sector Research & Development Intervention Scheme (HSRDIS)	-	-	-	-
19	100 FOR 100 Policy on Production and Productivity	-	17.29	-	13.42
20	Youth Entrepreneurship Intervention Programme (YEDP)	-	-	-	-
21	Targeted Credit Facility (TCF)	-	4.05	-	4.72
22	Creative Industry Financing Initiative (CIFI)	-	0.60	-	0.18
23	National Youth Intervention Fund (NYIF)	-	-	-	-
24	Agri-business Small & Medium Enterprises Intervention Scheme (AgSMEIS)	-	1.66	-	3.00
25	Tertiary Institution Entrepreneurship Scheme (TIES)	-	0.13	-	-
26	Anchors Borrowers Programme (ABP)	-	10.39	-	6.92
27	Accelerated Agricultural Development Scheme (AADS)	-	1.62	-	0.42
28	Accelerated Agricultural Development Scheme - Differentiated Cash Reserve Requirement (AADS-DCRR)	-	0.56	-	1.01
29	Commercial Agriculture Credit Scheme (CACS)	-	22.14	-	8.61
30	Paddy Aggregated Scheme (PAS)	-	-	-	-
31	Maize Aggregated Scheme (MAS)	-	-	-	-
32	Rice Distribution Facility (RDF)	-	-	-	-
33	National Food Security Programme (NFSP)	-	5.66	-	2.45
34	Non-Oil Export Stimulation Facility (NESF)	-	3.80	-	1.53
35	Export Financing Initiative (EFI)	-	1.68	-	1.55
36	Presidential Fertilizer Initiative (PFI)	-	0.36	-	-
37	Export Development Fund (EDF)	-	-	-	-

38	Export Development Fund – Nigeria Export Import Bank (EDF-NEXIM)	-	-	-	-
39	Micro, Small and Medium Enterprise Development Fund (MSMEDF)	-	1.02	-	0.34
40	Shared Agency Network Expansion Facility (SANEF)	-	0.51	-	0.27
41	Excess Crude Account (ECA)	-	2.71	-	4.35
42	Salary Bailout Facility (SBF)	-	2.59	-	6.51
43	TRADERMONI	-	-	-	-
44	FGN Bond	-	3.81	-	-
45	CBN – BoI Long-term Funding Facility (CBLF)	-	-	200.00	-
46	Sundry Transactions (SUNDRY TRXN)	28.72**	27.21	-	55.40
TOTAL		**43.54**	**394.24**	**201.33**	**313.19**

Source: Central Bank of Nigeria
****Figures are provisional and are as of June 30, 2025***
*****Recoverable expense for agricultural inputs, thus not captured as disbursement***

17. APPENDIX 8: SELECTED FINANCIAL SOUNDNESS INDICATORS OF THE NIGERIAN BANKING INDUSTRY

Indicators	2023		2024		2025
	End June	End Dec	End June	End Dec	End June
1. Assets-Based Indicators					
Non-performing loans to total gross loans	4.14	4.34	4.12	4.87	5.76
Liquid assets (core) to total assets	16.85	17.89	19.31	18.26	20.87
Liquid assets (core) to short-term liabilities	49.87	40.71	48.01	47.08	50.64
Residential real estate loans to total gross loans	0.12	0.14	0.23	0.29	0.29
Commercial real estate loans to total gross loans	2.09	1.99	1.76	1.57	1.43
Return on assets	2.54	5.57	3.89	3.50	3.25
2. Capital-Based Indicators					
Regulatory capital to risk-weighted assets	11.23	12.99	12.52	15.25	13.43
Regulatory Tier 1 capital to risk-weighted assets	9.60	10.70	10.62	12.91	11.50
Nonperforming loans net of provisions to capital	2.57	2.76	5.39	4.91	13.90
3. Income and Expense-Based Indicators					
Interest margin to gross income	56.54	43.61	50.07	54.73	71.25
Noninterest expenses to gross income	67.81	46.33	47.65	46.10	46.37
Personnel expenses to noninterest expenses	24.63	26.44	23.09	24.12	21.06
4. Exposure to Selected Sectors					
Oil & Gas to Gross Loans	25.66	28.24	31.33	31.03	29.79
Manufacturing to Gross Loans	18.46	18.50	17.42	15.44	12.29
Services to Gross Loans	37.04	41.29	41.73	45.75	44.13
5. OFCs Assets Indicators					
Pension Assets to GDP	8.11	7.98	8.55	8.36	6.55
Insurance Assets to GDP	1.31	1.16	1.54	1.44	1.23

*-*FSIs are computed based on IMF-FSI Manual*

18. APPENDIX 9: FINANCIAL HIGHLIGHTS OF PMBs

ASSETS	End-Dec. 2024 (₦' billion)	End-June 2025 (₦' billion)	Change (₦' billion)	% Change
Cash	1.39	1.86	0.48	0.35
Cash Reserve Requirement	3.00	3.49	0.49	0.16
Balances with Banks	26.51	26.58	0.08	0.00
Placement with bank	119.62	144.06	24.44	0.20
Investments/Non-current Held for Sale	34.71	37.22	2.52	0.07
Short Term Investments (Treasury Bills)	22.38	22.33	-0.05	-0.00
Investment in Quoted Shares	5.00	5.53	0.53	0.11
Loans and Advances	308.11	337.98	29.88	0.10
Other Assets	76.70	86.21	9.51	0.12
Fixed Assets	27.26	30.98		
TOTAL	624.06	696.25	72.19	0.12
Financed By:				
Paid-up Capital	97.97	98.90	0.93	0.01
Reserves	-40.36	-20.43	19.93	-0.49
Shareholders' Funds	57.61	78.47		
Deposits	252.07	317.50	65.44	0.26
Due to Banks & Others	28.01	23.01	-5.00	-0.18
Long-term Loans/NHF	74.44	76.27	1.83	0.02
Other Liabilities	211.92	200.99	-10.93	-0.05
TOTAL	**624.06**	**696.25**	**72.19**	**0.12**
Financial Indicators				
Capital Adequacy Ratio (CAR) %	**15.12**	**18.39**	-	3.00
Non-Performing Loans (NPL) Ratio %	**21.80**	**14.29**	-	-8.00

19. APPENDIX 10: FINANCIAL HIGHLIGHTS OF MFBs

ASSETS	End-Dec. 2024 (₦' billion)	End-June 2025 (₦' billion)	Change (₦'billion)	% Change
Cash	14.42	7.67	-6.75	-46.84
Due from Banks in Nigeria	466.75	602.55	135.79	29.09
Placements	573.38	839.08	265.70	46.34
Investments in TB	118.12	152.37	34.24	28.99
Long term Investments	105.99	192.45	86.45	81.56
Loans and Advances (Net)	1,066.87	1,432.23	365.36	34.25
Other Assets	524.34	484.55	-39.79	-7.59
Fixed Assets	286.54	230.58	-55.96	-19.53
TOTAL ASSETS	**3,156.42**	**3,941.47**	**785.04**	**24.87**
LIABILITIES				
Deposits	2,212.43	2,689.88	477.45	21.58%
Takings from Nigeria Banks	50.03	96.33	46.30	92.54%
Refinancing Facilities	13.93	15.15	1.22	8.76%
Other Liabilities	551.91	654.48	102.58	18.59%
Borrowings:				
Nigeria Institutions	45.14	53.00	7.86	17.41%
Foreign Agencies	21.38	36.20	14.82	69.34%
Debenture/Loan Stock	10.76	1.53	-9.23	-85.77%
Capital	176.77	257.00	80.23	45.39%
Reserves	74.07	137.89	63.82	86.16%
TOTAL LIABILITIES	**3,156.42**	**3,941.47**	**785.04**	**24.87%**
SHAREHOLDERS' FUND	250.84	394.89	144.05	57.43%
Indicators				
Capital Adequacy Ratio (CAR)	**0.11**	**0.15**	-	**3.59%**
Portfolio-At-Risk (PAR)	**0.17**	**0.19**	-	**2.23%**
Liquidity Ratio (LR)	**0.53**	**0.60**	-	**6.54%**

20. APPENDIX 11: STRESS TEST METHODOLOGY, ASSUMPTIONS AND SCENARIOS

Methodology

A multifactor shock stress testing methodology was used to assess the adequacy of banks' solvency and liquidity positions in relation to economic activities. Different scenarios were used, encompassing the principles of plausibility, duration, and severity to capture tail risks.

Macroeconomic Assumptions

- Persistence in global inflationary pressures leading to prolonged contractionary policy actions and sharp contraction of global output.
- Moderate to sharp fall in global demand for crude oil, leading to a commensurate decline in oil prices.
- Local crude oil production remained significantly below the approved OPEC quota for Nigeria.
- High inflation, rising unemployment, heightened security challenges and low agricultural production.

Satellite Assumptions

- Macroeconomic conditions and developments apply to the banking industry symmetrically.
- Severity and determination of tail risks are generally recursive with significant likelihood.
- There are no regulatory interventions nor banks' management actions during the shocks.
- Capitalization under stress is first mitigated by net income as follows:
  $[\text{Capitalization}_{(t)} + \text{Net Income}_{(t+1)}] / \text{RWAs}_{(t+1)}$
- Fuel subsidy policy change, persistent inflationary pressures, and prolonged contractionary policy stance.

  Impact on banks:

- *Increased NPLs as households and corporates experience more difficulty in servicing their loans.*
- *Mark-to-market losses on fixed income securities as a result of rise in interest rates, especially those classified under FVTPL & FVTOCI.*
- *Maturity mismatch at the shorter end of interest sensitive assets/liabilities. Through assets and maturity transformation, banks borrow short and lend long to gain from interest differential. In periods of stress, this has both liquidity and capital implications. Prolonged high interest rates regime will result in losses to banks with long positions.*

Other Credit-related Risks

In periods of heightened stress, the following are significant risks to assess:

- Credit concentration risk is often pronounced in period of stress, resulting in significant solvency/capital implications for banks.

Contagion Risk Analysis

Interconnectedness, especially through interbank transactions, generates and amplifies significant risks to the banking system, leading to possible system collapse.

Unification of the Foreign Exchange Windows & Floating of the Naira

- Resulted in the depreciation of the naira against other currencies, particularly the US dollar.
- Impact on banks:
    - Translation gain/loss on their net foreign assets
    - Increased NPLs in FCY-denominated loan portfolio.
    - Increased cost of servicing FCY-denominated liabilities - Eurobonds and other securities issued in FCY.

Climate Risk Factors

Physical

- Extreme weather conditions resulting in severe and frequent floods, affecting businesses and impacting:
    - Exposure to agriculture in varying degrees of severity; and
    - General credit exposure in varying degrees of severity.

Transition

Increased cost of fossil energy owing to regional conflicts, international sanctions, and domestic reforms (fuel subsidy removal and increased electricity tariff) leading to shift towards eco-friendly sources of energy such as solar power system, electric car, gas powered generators and vehicles. These are expected to impact exposures to:

- Downstream oil and gas; and
- Power and energy sub-sector

21. APPENDIX 12: CLIMATE RISK STRESS TEST SCENARIO ASSUMPTIONS

Scenarios	Mild	Moderate	Severe
Physical risk factors – Losses in credit exposures due to floods affecting businesses.	i) 1% loss in total credit exposure (excluding Agriculture) ii) 10% loss in Agric-credit exposure	i) 2.5% loss in total credit exposure (excluding Agriculture) ii) 25% loss in Agric-credit exposures	i) 5% loss in total credit exposures (excluding Agriculture) ii) 50% loss in Agric-credit exposures
Transition risk factors - Losses in credit exposures due to shift to eco-friendly technologies.	i) 5% loss in exposure to Downstream Sub-sector ii) 5% loss in exposure to Power & Energy Sub-sector	i) 10% loss in exposure to the Downstream Sub-sector ii) 10% loss in exposure to the Power & Energy Sub-sector	i) 15% loss in exposure to the Downstream Sub-sector ii) 15% loss in exposure to the Power & Energy Sub-sector

22. APPENDIX 13: LIQUIDITY STRESS TEST ASSUMPTIONS

Implied Cash Flow Analysis

The Implied Cash Flow Analysis (ICFA) assessed the ability of the banking system to withstand unanticipated substantial withdrawals of deposits, short-term wholesale and long-term funding over 5 days and cumulative 30 days, with specific assumptions on fire sale of assets.

The test assumed gradual average outflows of 3.8, 5.0 and 1.5 per cent of current & savings deposits, short-term funding and long-term funding respectively, over a 5-day period and a cumulative average outflow of 22.0, 11.0 and 1.5 per cent of current & savings deposits, short-term funding and long-term funding respectively, on a 30-day balance. It also assumed that the assets in Table 3.10 would remain unencumbered after a fire sale.

The Maturity Mismatch/Rollover Risk

This assessed funding maturity mismatch and rollover risk for assets and liabilities in the 1-30 and 31-90 day buckets, with assumptions of availability of funding from the CBN and intra-group as described below:

i. ***Test 2a: Descriptive Maturity Mismatch*** *assumed that the baseline mismatch remained, but 5 per cent of total deposits would be made available by the CBN and the intra-group;*

ii. ***Test 2b: Static Rollover Risk*** *assumed that 80.0 and 72.0 per cent of the funding in the 1-30 and 31-90 day buckets would be rolled over, with no possibility to close the funding gap from other buckets. However, 5 per cent of the total deposits would still be available from the CBN and the intra-group; and*

iii. ***Test 2c: Dynamic Rollover Risk*** *made the same assumption as in 2b above, but with the option of closing the liquidity gap from other buckets.*

TABLE 22.1 PERCENTAGE OF ASSETS UNENCUMBERED AFTER FIRE SALES

Item No	***Assets***	***% Unencumbered***
1.	*Cash and cash equivalents*	*100*
2.	*Current account with CBN*	*100*
3.	*Government bonds, treasury bills and other assets with 0% risk-weighting*	*66.5*
4.	*Certificates of deposit held*	*66.5*

	5.	*Other short-term investments*	*49*	
	6.	*Collateralized placements and money at call*	*49*	
	7.	*CRR*	*100*	

23. APPENDIX 14: PENSION INDUSTRY PORTFOLIO

ASSET CLASSES	End-December 2024 ₦ 'Million	End – June 2025 ₦ 'Million
DOMESTIC ORDINARY SHARES	2,241,924.37	3,080,945.23
FOREIGN ORDINARY SHARES	267,986.94	292,775.10
TOTAL FGN SECURITIES	**14,114,343.22**	**15,185,536.59**
* FED. GOVT BONDS (HTM)	12,015,063.50	12,786,881.23
* FED. GOVT BONDS (AFS)	1,248,569.37	1,660,403.06
* TREASURY BILLS	704,529.28	624,150.10
* AGENCY BONDS (NMRC)	45,378.34	6,503.96
* SUKUK BONDS (HTM)	79,739.70	89,638.24
* SUKUK BONDS (AFS)	13,917.04	7,245.94
* GREEN BONDS	7,145.99	10,714.07
STATE GOVT SECURITIES	**250,855.02**	**241,910.88**
CORP. DEBT SECURITIES	**2,246,508.38**	**2,264,438.03**
* CORPORATE BONDS (HTM)	1,452,693.58	1,436,676.32
* CORPORATE BONDS (AFS)	765,896.34	787,372.14
* CORPORATE INFRASTRUCTURE BONDS	27,918.46	38,924.14
* CORPORATE GREEN BONDS	-	1,465.44
MONEY MKT INSTR.	**2,215,529.02**	**2,237,430.94**
* FIXED DEPOSIT/ BANK ACCEPTANCE	1,925,972.96	1,842,834.60
* COMMERCIAL PAPERS	161,161.51	342,652.26
* FOREIGN MONEY MKT INSTR.	128,394.55	51,944.08
MUTUAL FUNDS	**80,782.52**	**183,815.45**
* OPEN/CLOSE FUNDS	58,785.39	106,003.06
* REITs	21,997.13	77,812.39
SUPRA-NATIONAL BONDS	20,771.23	20,817.61
INFRASTRUCTURE FUNDS	214,325.13	242,799.44
REAL ESTATE	283,619.13	255,944.87
PRIVATE EQUITIES	147,861.87	229,380.08
CASH & OTHER ASSETS	427,839.34	394,176.18
CURRENT NET ASSET VALUE	**22,512,346.17**	**24,629,970.42**

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