CENTRAL BANK OF NIGERIA

2025 Accounts: Executive Financial Review

Focus: External / Net Reserves and Ways & Means Position

EXECUTIVE CONCLUSION

The 2025 accounts show a stronger gross external reserve position and a larger CBN balance sheet, but the improvement in gross reserves did not translate into a comparable improvement in net foreign assets. Gross external reserves rose to US$45.75bn, while net foreign assets declined 1.42% to ₦31.51tn. The report also indicates that Ways & Means advances declined during 2025; however, the published summary accounts do not separately disclose a standalone year-end Ways & Means balance. CBN claims on the Central Government through debt securities were ₦26.40tn, down from ₦26.74tn.

1. Key Financial Highlights

Indicator	2025	2024	Change / Observation
Total assets - Bank	₦138.66tn	₦117.44tn	+18.1%
Total assets - Group	₦138.86tn	~₦117.68tn	+18% (reported)
Bank surplus	₦86.81bn	₦165.69bn	-47.6%
Group surplus	₦108.13bn	₦38.84bn	+178.4%
Bank paid-up capital & reserves	₦599.24bn	₦728.24bn	Lower year-on-year
External reserves on Bank balance sheet	₦61.24tn	₦54.73tn	+11.9%
Gross external reserves	US$45.75bn	US$40.19bn	+US$5.56bn / +13.8%
Net foreign assets	₦31.506tn	₦31.961tn	-1.42%
CBN claims on Central Govt - debt securities	₦26.395tn	₦26.744tn	-₦348.6bn / -1.3%

2. External Reserves and Net Reserve Position

Gross reserves strengthened materially. The external sector section reports year-end gross external reserves of US$45.75bn, compared with US$40.19bn in 2024. The 2025 stock provided 8.77 months of import cover for goods and services, or 13.33 months for goods only. The ownership breakdown shows US$43.14bn (94.29%) attributed to the CBN and US$2.61bn (5.71%) to the Federal Government.

Net foreign assets moved in the opposite direction. NFA declined by 1.42% to ₦31.506tn from ₦31.961tn in 2024. The CBN attributes this mainly to a 4.22% increase in liabilities to non-residents. Accordingly, the increase in headline gross reserves should not be read as an equivalent increase in the economy's net external asset buffer.

Reserve metric	2025	2024	Interpretation
Gross external reserves	US$45.75bn	US$40.19bn	Strong headline accumulation
CBN-owned component	US$43.14bn	Not stated here	94.29% of 2025 gross reserves
FGN-owned component	US$2.61bn	Not stated here	5.71% of 2025 gross reserves
Net foreign assets	₦31.506tn	₦31.961tn	Declined despite higher gross reserves
Goods & services import cover	8.77 months	-	Comfortable headline cover

3. Ways & Means / Federal Government Exposure

Direction of travel: reduction. The 2025 report links the contraction in CBN claims on the Federal Government to a reduction in Ways & Means advances. CBN claims on the Central Government held as debt securities declined from ₦26.744tn in 2024 to ₦26.395tn in 2025, a reduction of about ₦348.6bn.

Important disclosure qualification: ₦26.395tn is the broader stock of CBN claims on the Central Government through debt securities and should not be presented as the standalone Ways & Means balance. The summary financial disclosures reviewed do not separately identify a precise year-end Ways & Means figure. The defensible conclusion from the report is therefore that Ways & Means advances fell during 2025, not that ₦26.395tn represents the Ways & Means account itself.

Measure	2025	2024	Movement
CBN claims on Central Govt - debt securities	₦26.395tn	₦26.744tn	Down ₦348.6bn
Standalone Ways & Means year-end balance	Not separately disclosed	Not separately disclosed	Report states advances reduced

4. Profitability, Capital and Balance-Sheet Assessment

Profitability was mixed. The Bank recorded total income of ₦9.76tn and a surplus of ₦86.81bn, below the ₦165.69bn Bank surplus in 2024. At Group level, surplus improved to ₦108.13bn from ₦38.84bn. Under Section 22 of the Fiscal Responsibility Act 2007, ₦69.45bn - 80% of the Bank's 2025 operating surplus - was due to the Federal Government.

Balance-sheet scale increased, while the capital buffer remained modest relative to assets. Bank assets rose to ₦138.66tn, while paid-up capital and reserves stood at ₦599.24bn. This makes the quality, liquidity and valuation of reserve assets, together with the management of government-related exposures, particularly important to the interpretation of the CBN's financial position.

5. Key Takeaways

- Gross external reserves improved substantially in 2025, rising by about US$5.56bn.
- Net foreign assets nevertheless declined slightly, highlighting the need to distinguish gross reserves from the net external position.
- The CBN reports reduced Ways & Means advances; the direction is positive for monetary-fiscal discipline.
- The accounts do not provide a separately identified year-end Ways & Means balance in the summary disclosures, so the ₦26.395tn Central Government debt-securities figure should not be mislabeled.
- The Bank's own surplus fell, although Group profitability improved strongly.
- CBN paid-up capital and reserves of ₦599.24bn are small relative to the ₦138.66tn Bank balance sheet, making balance-sheet composition and valuation effects important.

Source and Basis

Primary source: Central Bank of Nigeria, 2025 Annual Report & Statement of Accounts. Relevant sections include the Executive Summary; Highlights of the 2025 Audited Financial Statements (p.56); Financial Sector Developments / monetary aggregates (p.93); External Sector Developments; and the Summary Consolidated and Separate Financial Statements (pp.135 onward). Figures are reproduced or calculated from the CBN report; rounding may cause minor differences.

Analytical note: The distinction between gross external reserves and net foreign assets is deliberate. They are different accounting/monetary concepts and should not be treated as interchangeable measures of 'net reserves'.