

# The Nigerian Leasing Industry Hits ₦6.54 Trillion – Records 26.5% Growth in 2025



## **The Nigerian Leasing Industry Hits ₦6.54 Trillion – Records 26.5% Growth in 2025**

**T**he Nigerian leasing industry recorded a significant expansion in asset financing activity in 2025, recording a 26.5% increase in the outstanding lease volume, reaching ₦6.54 trillion against ₦5.16 trillion in 2024<sup>1</sup>. New leases recorded ₦1.37 trillion as against ₦973.3 billion in 2024, growing by 40.72%. Generally, the growth reflects increasing reliance on leasing as a viable financing option for acquiring critical business assets across key sectors of the economy. The contribution of leasing in the last 10 years stood at ₦30.08trillion.

***The breakdown of the value*** indicates that the oil and gas, like in previous years, maintained its dominance, accounting for 50.1% of total new leases at ₦689 billion. This is particularly due to the appetite and demand for leasing by players in the sector, coupled with the fact that it is the mainstay of the economy. Transportation/Logistics (27%) - ₦369.8billion continued to make a significant showing, Manufacturing (7%) - ₦95.9billion; Agriculture (0.18%) - ₦2.47 billion; Government (0.16%) - ₦2.19 billion; Telecommunications (8.07%) - ₦110.5billion; and Others (including Healthcare and Education) (7.3%) - ₦100 billion.

***However, the sectoral distribution by Market Participants*** indicates that the Transport and Logistics sector attracted the most participants, with 29.3% of lessors engaged in financing assets in the sector. 9.8% of lessors participated in the Manufacturing sector; Agriculture 7.3%; Oil and Gas 14.6%; Government 4.9%; Telecommunications 9.8%; and other sectors (including Healthcare and Education) 24.4%.

***The sustained growth*** was driven by a combination of factors, including relative macroeconomic stability during the year; increased investment by existing and new market participants; and the continued rise in asset costs, driven largely by foreign exchange fluctuations, which has further strengthened the appeal of leasing, as well as creative product development by industry

players. Obviously, the rise in asset cost means more money is required to finance the same level of assets before the floating of the Naira in mid - year 2023, and invariably contributing to the increase in the lease volume figure.

***Operating leasing continued to deepen its market share at 44%***, as against Finance lease with 56% of the lease transactions, as the leasing industry develops and moves towards specialisation and new products arising from market dictates and the need for risk mitigation. Essentially, a key driver of operating leasing over the years has been the increasing demand from corporate customers keen to focus on their core business while outsourcing logistics and other support services to leasing companies. Although the International Financial Reporting Standard (IFRS) 16 on leases has eliminated off-balance-sheet financing for lessees since 2019, its effects have not been glaring in Nigeria's leasing industry. In any case, the industry still benefits from partial off-balance sheet financing, as what is required to be capitalised is the right-of-use of the assets and not the cost of the asset financed.

***Further insight into the market dynamics*** shows that vehicles accounted for 53% of total assets financed, underscoring strong demand for mobility assets across sectors such as logistics, distribution, and service delivery.

***Also, 7.3% of lessors*** have a lease portfolio for the year above N50bn; 21.9% recorded N10 - N50bn transactions; 29.3% achieved N1 - N10bn; and 41.5% recorded below N1bn. This shows that the majority of lessors are focusing on MSMEs across all sectors due, basically, to the capacity of the lessors to undertake big-ticket leases, in terms of funding and expertise requirements. The high-end segment is dominated by banks because of their funding capacity. The top 20 *leading players* account for about 90% of the total lease portfolio.

***The industry outlook remains positive***, supported by growing demand for asset financing across both public and private sectors, persistent financing gaps in the economy, and increasing recognition of leasing as a viable alternative to traditional bank lending. Leasing is also expected to expand beyond its traditional strongholds into new sectors and market segments, creating

opportunities for diversification and sustained growth. This shift will be driven largely by the development of tailored leasing solutions that address the specific needs of different industries.

1. Figures are mainly from ELAN members; getting data from non-ELAN members is challenging. Full capture of non-members' input could add up to the lease portfolio considerably for the industry.

**Table 1: New Leases by Sector (2021 – 2025) (N' 000)**

	2025	2024	2023	2022	2021
<b>Manufacturing</b>	95,879,359.09	126,532,426.84	130,979,065.11	100,806,383.40	96,240,115
<b>Transport/ Logistics</b>	369,820,385.05	204,398,535.67	215,179,892.68	147,849,362.32	123,325,656
<b>Agriculture</b>	2,465,469.23	77,866,108.83	84,200,827.57	40,322,553.36	27,661,829
<b>Oil/Gas</b>	686,961,679.66	253,064,853.69	233,891,187.69	154,569,787.89	137,156,571
<b>Government</b>	2,191,528.21	77,866,108.83	65,489,532.56	47,042,978.92	27,661,829
<b>Telecoms</b>	110,535,103.98	87,599,372.43	74,845,180.06	67,204,255.60	54,747,371
<b>Others</b>	99,988,474.48	145,998,954.05	130,979,065.11	114,247,234.52	109,494,742
	<b>1,367,841,999.70</b>	<b>973,326,360.34</b>	<b>935,564,750.78</b>	<b>672,042,556.01</b>	<b>576,288,113</b>

NB: Others include Education, Healthcare, Construction, and Consumer sectors

**Table 2: Outstanding Lease Volume by Sector (2021 – 2025) (N' 000)**

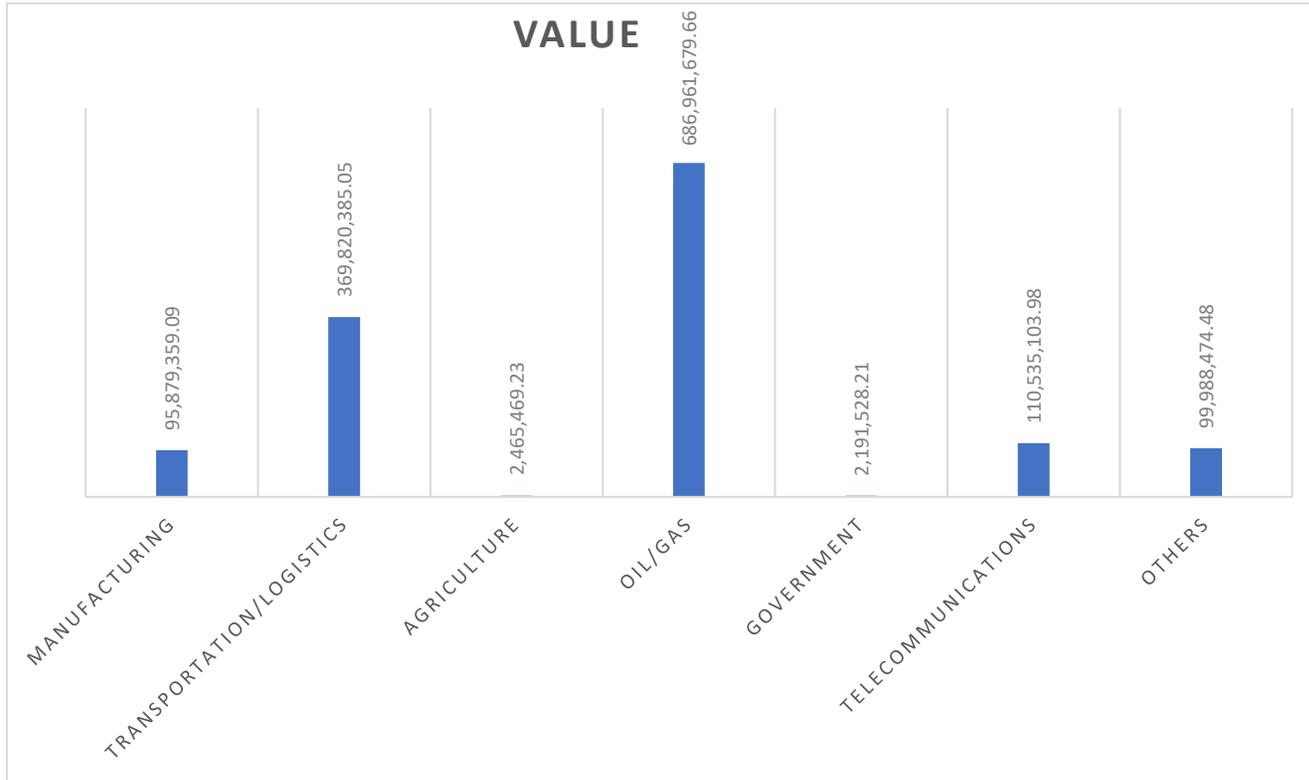
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Manufacturing</b>	868,514,166.07	734,283,063.35	607,750,636.51	476,771,571.40	375,965,188
<b>Transport/ Logistics</b>	1,582,798,030.71	1,181,474,427.67	977,075,892	761,895,999.32	614,046,637
<b>Agriculture</b>	478,605,115.24	378,616,640.76	300,750,531.93	216,549,704.36	176,227,151
<b>Oil/Gas</b>	1,580,779,380.23	1,380,802,431.27	1,127,737,577.58	893,846,389.89	739,276,602
<b>Government</b>	412,382,394.67	345,266,843.31	267,400,734.48	201,911,201.92	154,868,223
<b>Telecoms</b>	596,480,464.81	462,249,362.09	374,649,989.66	299,804,809.60	232,600,554
<b>Others</b>	1,020,844,181.24	686,005,834.68	540,006,880.63	409,027,815.52	294,780,581
<b>Total</b>	<b>6,538,403,732.96</b>	<b>5,168,698,603.13</b>	<b>4,195,372,242.79</b>	<b>3,259,807,494.01</b>	<b>2,587,764,938</b>

NB: Others include Education, Healthcare, Construction, and Consumer sectors

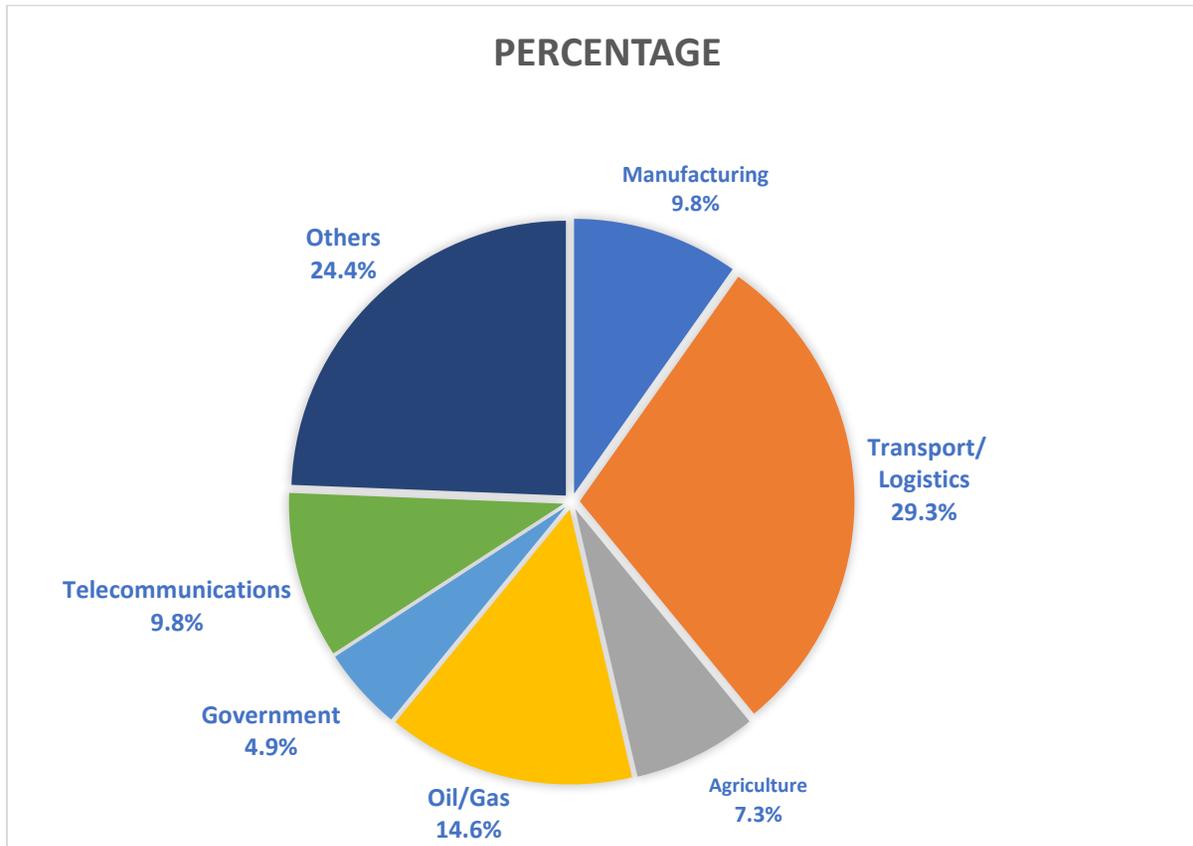
**Table 3: Trends in Nigerian Leasing Market (2016 – 2025) (N' 000)**

<b>Year</b>	<b>Leasing Volume ('000)</b>	<b>Growth (%)</b>
2016	1,262,027,642.73	14
2017	1,445,021,651.11	14.5
2018	1,680,560,180.25	16.3
2019	1,927,712,680.21	14.5
2020	2,011,476,831.90	4.3
2021	2,587,764,938.20	28.6
2022	3,259,807,494.01	25.97
2023	4,195,372,242.79	28.7
2024	5,168,698,603.13	23.2
2025	6,538,403,732,959.45	26.5

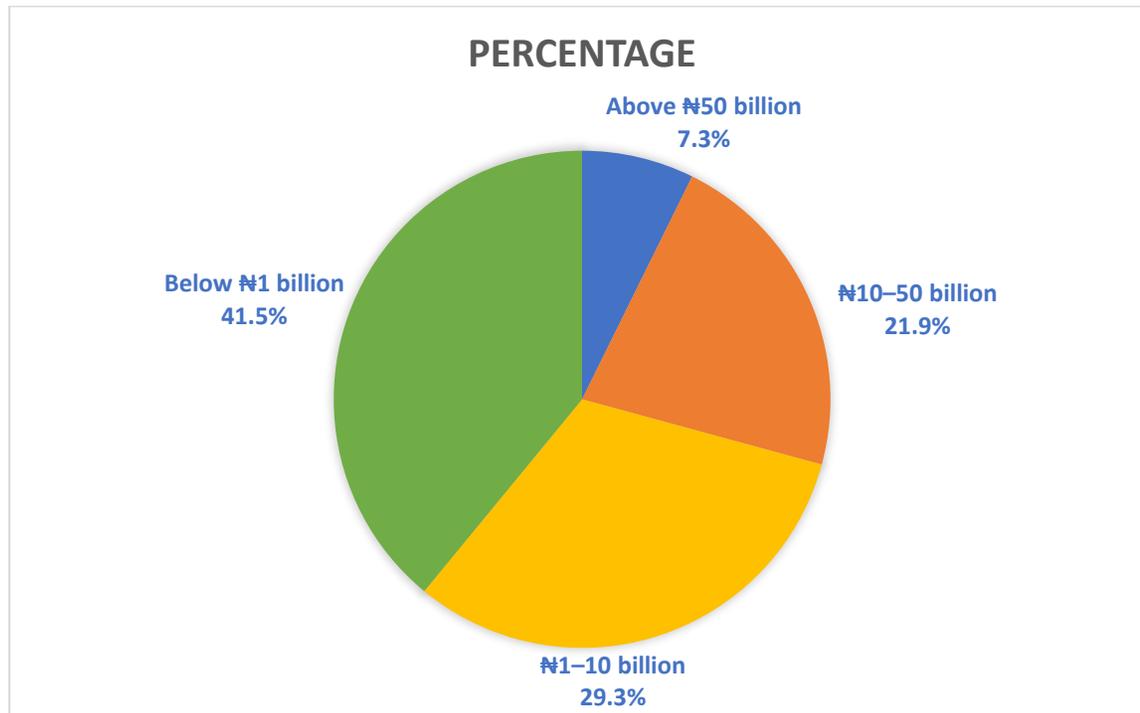
**Figure 1: Distribution of lease volume by sector (2025) (N'000)**



**Figure 2: Sectoral distribution by market participants**



**Spread of the lease portfolio by lessors in %**



**Figure 3: Type of assets**

