

Corporate Vision and Mission

Vision

To be a world-class Organization that ensures the prompt payment of retirement benefits and promotes a sustainable pension industry that positively impacts on the economic development of Nigeria

Mission

To be an effective Regulator and Supervisor that ensures the safety of Pension Assets and fair return on investment utilising appropriate technology, with highly skilled and motivated staff

SECTION ONE

Pension Operating Environment

1.1 Macroeconomic Development

The pension industry operated under a declined macroeconomic environment as real Gross Domestic Product (GDP) declined from 5.94 percent in the fourth quarter of 2014 to 3.96 percent in the first quarter of 2015, representing a decrease of 1.98 percent. While the oil sector made a proportional contribution of 10.45 percent during the period under review, the non-oil sector made a proportional contribution of 89.55 percent. In fact, during the period under review, while the non-oil sector grew in real terms by 5.59 percent, the oil sector declined in real terms by 8.51 percent.

The general price level was relatively stable during the period under review as the rate of inflation slightly increased from 8.00 percent in the fourth quarter of 2014 to 8.50 percent in the first quarter of 2015. The single digit rate of inflation is a signal to pension fund investment making positive real return especially for some instruments with double digit rate of return.

1.2 Developments in the Money Market

The stance of monetary policy remained restrictive in the first quarter of 2015 as the Monetary Policy Rate (MPR) was retained at 13 percent, while the Cash Reserve Ratio (CRR) on Private Sector and public sector deposits remained unchanged at 20 per cent and 75 per cent respectively. The liquidity ratio was maintained at 30 per cent for the period under review in order to check the threat of rising prices.

The interest rate developments in the money market showed some marginal improvement as rates on deposits of various maturities increased during the quarter with the exception of one and three month deposit rates, which decreased from 8.58 and 9.48 percent in the fourth quarter of 2014 to close at 8.42 and 9.02 percent respectively in the in the first quarter of 2015. The rates on deposits of various maturities were in the range of 8.42 and 9.88 percent in the quarter. Similarly, the spread between the average term deposit and maximum lending rates increased from 16.55 per cent in the fourth quarter of 2014 to 17.40 per cent in the first quarter of 2015, which represented an increase of 0.85 percent.

The story in the inter-bank segment of the market was, however, different as the average interbank call rate increased from 14.75 percent in the fourth quarter of 2014 to 15.43 percent in the first quarter of 2015, representing an increase of 0.68 percent, which could be explained by the liquidity condition in the money market.

1.3 Developments in the Bond Market

The period under review witnessed a reopening of the FGN Bonds of 3-, 10- and 20-year tranches. The total amount offered, subscribed to and allotted was ₦203.61 billion, ₦314.32 billion and ₦182.11 billion, respectively. In addition, ₦10.33 billion of the 10-year bond was allotted on a non-competitive basis. The marginal rates for the bonds ranged from 12.00 to 15.49 percent, compared with 11.00 to 12.99 per cent in the preceding quarter. The rise in yield during the review period could be attributed to the fall in both the demand and the level of liquidity in the system arising from further monetary tightening

1.4 Developments in the Stock Market

The performance of the Nigerian stock market was not quite impressive in the first quarter of 2015. The volume and value of traded share, which were 28.94 billion and ₦316.99 billion as at the end of the fourth quarter of 2014 declined by 3.01 billion (10.40 percent) and ₦37.87 billion (11.95 percent) respectively. Similarly, the number of deals witnessed a decline from 279,274 as at the end of the fourth quarter of 2014 to 261,116, representing a decline of 6.50 percent.

The NSE All Share Index (NSE ASI), which reflects how prices of stocks have moved, and in turn determines how much investors made as gains or losses, declined by 2,913.31 to close at 31,744.84 at the end of the first quarter of 2015, representing a decrease of 8.40 percent from its closing value as at the end of fourth quarter of 2014.

The market capitalization did not fare better in the first quarter of 2015 as it reduced from ₦11.48 trillion as at the end of the fourth quarter to ₦10.32 trillion during the first quarter, representing a decline of 10.10 percent.

SECTION TWO

Regulatory and Supervisory Activities

The regulation and supervision of the pension industry continued to focus on risk-based examination of licensed pension operators with a view to promote transparency, provide early warning signals as well as encourage pension operators to regularly self-evaluate their positions.

2.1 Surveillance of the Pension Industry

There was neither routine nor special examination carried out in the pension industry during the first quarter of 2015. However, a retreat was held for lead examiners and training sessions were held for staff that participate in the examination of branches of licensed operators.

(a) Compliance Reports

A review of the compliance reports forwarded by PFAs to the Commission during the quarter revealed some issues of non-compliance, which included: non-compliance with investment limits by some PFAs; delay in the payment of retirement benefits; receipt of pension contributions without appropriate schedules; unresolved customer complaints; and non-implementation of disaster recovery plans. Subsequently, the Commission conveyed these issues to the concerned operators as well as monitored them in their efforts at resolving the identified issues.

(b) Risk Management Reports

A review of the risk management reports forwarded by the operators showed that some of them faced operational risks associated with receipt of contributions without appropriate schedules; litigations; concentration of portfolio investment; and non-funding of RSAs by employers. The affected operators were subsequently advised by the Commission to strengthen their mitigating measures to avert the identified risks.

(c) Actuarial Valuation

The Commission received and reviewed the actuarial valuation reports of seven Defined Benefit Schemes and another report from a scheme sponsor for the year ended 31 December, 2014. A review of the eight reports revealed that only two of the schemes were under-funded as at the end of the reporting period. Consequently, the affected sponsors were directed to come up with funding arrangements to defray the deficits.

(d) Corporate Governance

During the quarter, the Commission received and reviewed 23 corporate governance reports from Licensed Operators for the year ended 31

December, 2014. The reports indicated some violations of the Code of Corporate Governance by the Operators. The review further showed that some Operators did not evaluate the performance of their Boards, Board Committees and Directors; and held inadequate number of Board meetings as stipulated by the Code. In addition, some Board members did not attend Board and Committee meetings regularly. Subsequently, the affected operators were asked to immediately address the identified issues of non-compliance with the Code of Corporate Governance.

2.1.1 Update on Returns Rendition System

During the quarter under review, 25 licensed pension operators comprising 14 PFAs, 7 CPFAs and 4 PFCs rendered returns on the Funds under their management/custody and their company accounts to the Commission through the Risk Management Analysis System (RMAS), an electronic return rendition application. A review of the returns showed an increase in the pension assets under the operators' management.

2.2 Compliance and Enforcement Activities

The Commission scaled up its compliance and enforcement strategies in order to enhance compliance with the provisions of the Pension Reform Act (PRA) 2014. Consequently, sanctions were applied on some operators in line with the Compliance Framework. In addition, the Commission had participated in public enlightenment programmes as well as collaborated with various stakeholders to enhance compliance.

2.2.1 Update on Compliance by the Private Sector

During the quarter, the Commission received 1,050 applications for issuance of Compliance Certificates, out of which 840 employers were issued the Certificates while the remaining applications were rejected on the ground that they did not meet the requirements.

2.2.2 Transfer of National Provident Fund (NPF) and National Social Insurance Trust Fund (NSITF) Contributions to Members' RSAs

During the quarter under review, the Commission received a total of 1,330 applications for the transfer of NSITF contributions amounting to ₦91.68 million. Following the review of the applications, the Commission granted "no objection" to Trustfund Pensions Plc to pay the sum of ₦82.14 million to 1,200 contributors. This suggested that 130 applications amounting to ₦9.54 million were rejected due to incomplete documentations.

This brought the total NSITF contributions transferred to RSAs of beneficiaries ₦9.22 billion. The amount was transferred on behalf of 123,917 NSITF contributors.

2.2.3 Update on the Recovery of Outstanding Pension Contributions and Interest Penalty from Defaulting Employers

The Commission retained the services of Consultants in order to follow-up and conclude work on the recovery of outstanding pension contributions and penalty from defaulting employers. During the quarter, the sum of ₦540.94 million representing principal contributions of ₦145.85 million and penalty of ₦395.09 million was recovered. This brought the total recoveries made to date to ₦6.73 billion.

2.2.4 Update on Informal Sector Participation in the Contributory Pension Scheme (CPS)

In the effort to encourage the informal sector participation in the CPS, the Commission developed and distributed the Framework for the informal sector participation in the CPS to all stakeholders for comments. The inputs from various stakeholders have been collated and subsequently incorporated into the Framework. Consequent upon this, the Commission commenced work on the Guidelines and other modalities that would facilitate the participation of the informal sector in the Scheme.

2.3 Other Compliance Efforts

(a) Update on the Implementation of the CPS by State Governments

As at the end of the first quarter, 2015, 26 State Governments had enacted laws on the CPS, while the remaining 10 were at the Bills stage. An update on the status of the implementation of the CPS by State Governments is presented in Table 2.1.

Apart from enacting law on the CPS, Table 2.1 further shows that 8 out of the 36 states had commenced remittance of contributions into the RSAs of their employees. Similarly, 6 States have commenced the funding of their Retirement Benefit Bond Redemption Fund Accounts (RBBRFAs) as shown in Table 2.2.

Table 2.1: Level of Compliance with the CPS by State Governments

S/N	State	Remittance of Contribution	Accrued Rights	Group Life Insurance
1	Abia	Yet to commence	Not funded	Not implemented
2	Adamawa	Yet to commence	Not funded	Not implemented
3	Akwa Ibom	Yet to commence	Not funded	Not implemented
4	Anambra	Commenced	Funded	Not implemented
5	Bauchi	Yet to commence	Not funded	Not implemented
6	Bayelsa	Yet to commence	Not funded	Not implemented
7	Benue	Yet to commence	Not funded	Not implemented
8	Borno	Yet to commence	Not funded	Not implemented
9	Cross River	Yet to commence	Not funded	Not implemented
10	Delta	Commenced	Funded	Not Implemented
11	Ebonyi	Yet to commence	Not funded	Not implemented
12	Edo	Yet to commence	Not funded	Not implemented
13	Ekiti	Yet to commence	Not funded	Not implemented
14	Enugu	Yet to commence	Not funded	Not implemented
15	Gombe	Yet to commence	Not funded	Not implemented
16	Imo	Yet to commence remittance of pension contributions but the Imo State University is currently implementing the CPS under the auspices of the PRA 2014	Not funded	Not implemented
17	Jigawa	Assets transferred to 6 PFAs for management	N/A	N/A
18	Kaduna	Commenced	Not funded	Not implemented
19	Kano	Assets yet to be transferred	N/A	N/A
20	Kebbi	Yet to commence	Not funded	Not implemented
21	Kogi	Yet to commence	Not funded	Not implemented
22	Kwara	Yet to commence	Not funded	Not implemented
23	Lagos	Commenced	Funded	Implemented
24	Nasarawa	Yet to commence	Not funded	Not implemented
25	Niger	Commenced	Funded	Implemented
26	Ogun	Commenced	Funded	Not implemented
27	Ondo	Yet to commence	Not funded	Not implemented
28	Osun	Commenced	Funded	Implemented
29	Oyo	Yet to commence	Not funded	Not implemented
30	Plateau	Yet to commence	Not funded	Not implemented
31	Rivers	Commenced	Funded	Implemented
32	Sokoto	Yet to commence	Not funded	Not implemented
33	Taraba	Yet to commence	Not funded	Not implemented
34	Taraba	Yet to commence	Not funded	Not implemented
35	Yobe	Yet to commence	Not funded	Not implemented
36	Zamfara	Commenced	Not funded	Not implemented

Table 2.2: Balance in RBBRF Account of State Governments as at January 2015

S/N	State	Balance (₦ Billion)
1	Lagos	10.00
2	Osun	1.15
	Osun Local Gov	2.27
3	Ogun	1.43
4	Delta State Bureau	5.53
	Delta Local Government	3.34
5	Rivers	3.10
6	Niger	9.10

Table 2.2 shows that Lagos State had remitted ₦10.00 billion, while Ogun, Niger and Rivers States had remitted ₦1.43, ₦9.10 and ₦3.10 billion into their RBBRFAs respectively as at the end of the quarter under review.

(b) Public Enlightenment Campaigns

As part of the strategies to increase the level of compliance and awareness about the scheme, the Commission facilitated, organized and participated in a two day sensitization workshop on CPS for key stakeholders in Minna, Niger State. The participants were drawn from across the Ministries Departments and Agencies of Niger State and its Local Governments as well as the State Pension Board.

(c) Update on Pension Transitional Arrangement Directorate (PTAD)

The second and third phases of the biometric and verification exercises for the Police pensioners and next of kin of deceased personnel were conducted by PTAD across 12 Zonal Commands during the quarter under review. In efforts to have a robust and credible database, the Commission collaborated with PTAD by assigning some staff who served as observers at various centres of the verification exercise.

In preparation for the maiden inspection of PTAD, the Commission held a pre-inspection meeting with the Executive Secretary and the Management Team of the agency. The meeting deliberated on the objectives of the inspection, areas of coverage and how PTAD should prepare for the exercise.

(d) Update on the Refund of Pension Contributions to the Military and Security Agencies

The refund to batches 1 to 4 of serving personnel of the Military and Security Service Agencies (SSAs) and batch 1 of retirees were undertaken during the quarter under review. Available reports from the PFAs showed that the sum of ₦9.07 billion was refunded to 71,784 serving and retired personnel, while the

sums of ₦1.05 billion and ₦42.43 billion, representing unutilized accrued rights and employer portion of contributions were returned to the Retirement Benefit and Bond Redemption Fund (RBBRF) account and the Contributory Pension Account with the Central Bank of Nigeria (CBN) respectively.

SECTION THREE

Pension Industry Statistics

3.1 Scheme Memberships

The scheme membership increased by 120,046 from a total scheme membership of 6,395,669 as at the end of fourth quarter of 2014 to 6,515,736 at the end of the first quarter, 2015. This represented an increase of 1.86 percent. The RSA membership, which increased by 1.88 percent accounted for the highest proportion of scheme memberships. While membership of Closed Pension Fund Administrators (CPFAs) declined by 0.09 percent during the period, the Approved Existing Schemes remained constant at the level of previous quarter figure of 40,951 as shown in Table 3.1.

Table 3.1 Scheme Memberships as at First Quarter, 2015

Scheme	Q3:2014	Q4:2014	Q1:2015	% change (Q4:214 and Q1:2015)
RSA	6,263,811	6,395,669	6,515,736	1.88
CPFA	24,658	24,365	24,344	(0.09)
AES	40,951	40,951	40,951	0.00
Total	6,329,420	6,460,985	6,581,031	1.86

Note: Figures in parenthesis represent decrease

The decline in membership of CPFAs could be ascribed to the retirement of some members of the Scheme and some redundancies in the sponsoring institutions. It should be noted that membership of the scheme is restricted to staff of the sponsoring institutions.

3.1.1 Membership of RSA

Total RSA registration increased by 1.88 percent during the first quarter of 2015. A sectoral breakdown of RSA registration shows an increment of 1.26 and 2.46 percent for both public and private sectors respectively. Analysis of RSA registration by gender shows that male RSA holders dominated the scheme with 71.46 percent, while the female members accounted for a balance of 28.54 percent as shown in Tables 3.1 and 3.2.

Further analysis indicates that the private sector retained lead in the number of registered RSA holders, accounting for a proportional contribution of 51.93 percent of total RSA registration.

Table 3.2: RSA Registrations by Age and Sector in First Quarter, 2015

Age Range	Public Sector		Private Sector		Total		Grand Total	
	Male	Female	Male	Female	Male	Female	Number	%
Less than 30 yrs	157,100	65,831	372,457	166,048	529,557	231,879	761,436	11.69
30 - 39 yrs	714,644	355,176	1,103,883	394,037	1,818,527	749,213	2,567,740	39.41
40 - 49 yrs	550,590	343,709	664,570	166,217	1,215,160	509,926	1,725,086	26.48
50 - 59 yrs	477,201	249,862	341,079	55,520	818,280	305,382	1,123,662	17.25
60 - 65 yrs	135,485	45,188	76,033	8,133	211,518	53,321	264,839	4.06
above 65 yrs	30,815	6,679	32,477	3,002	63,292	9,681	72,973	1.12
Total	2,065,835	1,066,445	2,590,499	792,957	4,656,334	1,859,402	6,515,736	100.00

An age distributional analysis of RSA holders revealed that the largest proportion of RSA holders is very young as almost 80 percent of the members were below 50 years and 51 percent of the members were below the age of 40 years. Thus, the demography of the scheme favours putting pension funds in long-term investible instruments like the infrastructure products, which can be used of the yawning gaps identified in the nation's quest for economic development.

3.1.2 RSA Registration by Rank of PFA

An investigation into the rank of Pension Fund Administrators (PFAs) by the market share of RSA registrations shows an oligopolistic tendencies where the top 3 and 5 PFAs accounted for 44.50 and 61.23 percent of total RSA registrations as at the end of the quarter as shown in Table 3.3.

Table 3.3: RSA Registrations by PFA Market Share

PFA Ranking	Q4:14 (%)	Q1:15 (%)
Top 3		44.50
Top 5		61.23
Top 10		86.29
Bottom 3		1.07
Bottom 5		2.57
Bottom 10		13.71

Table 3.3 further reveals that the bottom 3 and 5 PFAs accounted for proportional share of 1.07 and 2.57 percent respectively. In fact, the bottom 10 PFAs could only account for 13.71 percent of total RSA registrations as at the end of the first quarter of 2015.

An examination of the range of RSA registration by PFAs shows that 5 PFAs have RSA holders between 500,000 and 1,000,000 during the period under review as shown in Table 3.4.

Table 3.4: Range of RSA Registration per PFA

Range of RSA Registrations	Number of PFAs
500,000 – 1,000,000	5
100,000 – 499,999	8
Less than 100,000	7

Table 3.4 further shows that while 8 PFAs have RSA holders in the range of between 100,000 and 499,000, 7 PFAs had less than 100,000 RSA holders each under their management.

3.1.3 Memberships of CPFAs and AES

The memberships of CPFAs and AES were 24,344 and 40,951 respectively as at the end of the quarter under review as shown in Tables 3.5 and 3.6.

Table 3.5: Membership of CPFAs as at First Quarter of 2015

Enrolment Type	Number			Percentage of Total	
	Q3:2014	Q4:2014	Q1:2015	Q4:2014	Q1:2015
Active Members	18,429	17,935	17,883	73.61	73.46
Existing Pensioners	5,634	5,835	5,866	23.95	24.10
Deferred Pensioners	595	595	595	2.44	2.44
Total	24,658	24,365	24,344	100.00	100.00

Note: Deferred pensioners are pensionable retirees who are not eligible to start drawing pension until they reach a certain age in accordance with rules and regulations of the scheme.

The membership of CPFAs witnessed a slight decline of 0.09 percent as a result of retirement of some members and non-admittance of new members into the scheme as stipulated by the PRA 2014.

The total membership of AES remained constant at 40,951 as at the end of the first quarter as revealed in Table 3.6. This could be partly explained by the fact that the AES is an occupational pension scheme that is largely restricted to the employees of the sponsoring organization.

Table 3.6: Membership of AES as at First Quarter of 2015

Enrolment Type	Number			Percentage of Total	
	Q3:2014	Q4:2014	Q1:2015	Q4:2014	Q1:2015
Active Members	24,255	24,255	24,255	59.23	59.23
Current Pensioners	15,313	15,313	15,313	37.39	37.39
Deferred Pensioners	149	149	149	0.39	0.39
Dependants	1,234	1,234	1,234	3.01	3.01
Total	40,951	40,951	40,951	100.00	100.00

Note: Dependants are protégés of deceased pensioners.

3.2 Pension Contributions

The total pension contributions by both the public and private sectors into the RSA of employees was ₦2,953.09 billion as at the end of first quarter, 2015. This was an increase of ₦79.87 billion, representing 2.70 percent over the total contributions remitted as at the end of December, 2014 as shown in Table 3.7. While the Public Sector contributed 34.43 percent of the total contributions, the private sector contributed the remaining balance of 65.57 percent during the quarter.

Table 3.7: Pension Contributions

Year/Quarter	Public Sector		Private Sector		Total	
	Amount (₦ Billion)	% of Total	Amount (₦ Billion)	% of Total	Amount (₦ Billion)	% of Total
2004	15.60	0.93	-	-	15.60	0.53
2005	34.68	2.08	-	-	34.68	1.17
2006	37.38	2.24	23.03	1.80	60.41	2.05
2007	80.63	4.83	68.34	5.33	148.97	5.04
2008	99.28	5.94	80.81	6.30	180.09	6.10
2009	137.10	8.20	91.21	7.11	228.31	7.73
2010	162.46	9.72	103.03	8.04	265.49	8.99
2011	228.92	13.70	119.53	9.32	348.45	11.80
2012	331.14	19.82	174.43	13.60	505.57	17.12
2013	278.50	16.67	225.42	17.58	503.92	17.06
2014	237.76	14.23	343.97	26.83	581.73	19.70
Q1:2015	27.50	1.65	52.37	4.08	79.87	2.70
Total	1,670.95	100.00	1,282.14	100.00	2,953.09	100.00

The private sector contributions increased from ₦1,229.77 as at the end of December, 2014 to ₦1,282.14 as at the end of the first quarter of 2015, representing an increase of 4.26 percent. The average monthly contributions by the private and public sectors were ₦17.46 billion and ₦9.17 billion respectively during the quarter.

3.2.1 Contributions by Rank of PFA

The ranking of PFAs by total contributions shows that the top 5 PFAs accounted for 67.83 percent of total contributions received as at the end of the quarter under review. Similarly, the top 10 PFAs accounted for 90.56 percent of total contributions received over the same period as revealed in Table 3.8.

Table 3.8: PFA Ranking by Size of Contributions as at Q1: 2015

Rank	Amount (₦ Billion)	Percentage of Total
Top 5	1,813.09	67.83
Top 10	2,420.71	90.56
Bottom 5	40.71	1.52
Bottom 10	11.90	9.44

Table 3.8 further shows that while the bottom 5 PFAs accounted for 1.52 percent of total contributions received, the bottom 10 PFAs accounted for 9.44 percent of total contributions in the quarter.

3.3 Pension Fund Investment

The total value of pension assets increased from ₦4,611.29 billion as at the end of the fourth quarter of 2014 to ₦4,746.00 billion at the end of the first quarter of 2015, representing an increase of ₦134.71 billion (2.92 percent) as shown in Table 3.9.

Table 3.9: Pension Fund Portfolio by Fund Type as at First Quarter, 2015

Fund/Period	Q3:2014		Q4:2014		Q1:2015		Change between Q4:2014 & Q1:2015	
	₦ Billion	% of Total	₦ Billion	% of Total	₦ Billion	% of Total	₦ Billion	% of Total
RSA Active	2,875.39	62.74	2,929.29	63.52	3,037.15	63.99	107.86	80.07
RSA Retiree	364.28	7.95	364.35	7.90	369.80	7.79	5.45	4.05
CPFAs	657.54	14.35	662.83	14.37	696.02	14.67	33.19	24.64
AESs	685.53	14.96	654.82	14.20	643.03	13.55	(11.79)	(8.75)
Total	4,582.74	100.00	4,611.29	100.00	4,746.00	100.00	134.71	100.00

Note: Figures in parenthesis represent decrease

Table 3.9 shows that RSA Active Fund accounted for 63.99 percent of total pension assets under management during the quarter. The fund also accounted for 80.07 percent of assets growth during the quarter. This was partly explained by growth in pension contributions that averaged ₦26.62 billion in the quarter. The Closed Pension Fund Administrators (CPFAs) and Retiree Funds followed with proportional contributions of 33.19 and 4.05 percent of total pension assets respectively. The Approved Existing Schemes (AESs) witnessed a decline of ₦11.79 billion, representing 1.80 percent during the quarter.

The FGN securities continued to dominate total pension fund investment portfolio as shown in Table 3.10. This asset class accounted for 66.22 percent of total pension fund investments during the quarter. This could be explained by the uncertainties that characterized the stock market in 2014 and the persistent volatilities in the stock market. Hence, operators saw FGN Securities as “flight-to-safety” strategy.

It can further be seen from Table 3.10 that there was a divestment from ordinary share, which declined by ₦30.80 billion as a consequence of the volatilities in the stock market. The local money market securities also witnessed a large decline of ₦105.11 billion as the proportional share of this

investment decreased from 11.74 percent in the fourth quarter of 2014 to 9.19 percent during the quarter under review.

Table 3.10: Pension Industry Portfolio as at First Quarter of 2015

Asset Class	Q1:2015		Q4:2014		Variance	
	₦ Billion	% of Total	₦ Billion	% of Total	₦ Billion	% of Total
Ordinary Shares	512.74	10.80	543.54	11.79	(30.80)	(22.87)
FGN Securities:						
Bonds	2,594.82	54.67	2,396.55	51.97	198.27	147.19
T-Bills	548.08	11.55	497.78	10.79	50.30	37.34
State Government Bonds	172.45	3.63	172.40	3.74	0.05	0.04
Corporate Debt Securities	121.83	2.57	119.44	2.59	2.39	1.77
Supranational Bonds	12.47	0.26	12.36	0.27	0.11	0.08
Local Money Market Instrument	436.27	9.19	541.39	11.74	(105.11)	(78.04)
Open/Close End Funds	21.27	0.45	21.03	0.46	0.24	0.18
Real Estate Property	210.14	4.43	213.25	4.62	(3.11)	(2.31)
Private Equity Fund	13.53	0.29	11.10	0.24	2.43	1.80
Foreign Investment:						
Equities	71.00	1.50	59.50	1.29	11.50	8.54
Money Market Securities	0.62	0.01	0.12	0.00	0.50	0.37
Cash & other Assets	30.78	0.65	22.84	0.50	7.94	5.89
Total	4,746.00	100.00	,611.29	100.00	134.70	100.00

It can further be seen from Table 3.10 that investments in private equity funds continued to increase as pension fund investment in this class of asset increased by 21.89 percent from ₦11.10 billion in the fourth quarter of 2014 to ₦13.53 billion during the quarter. Another remarkable picture of Table 3:10 is the increased investment in foreign equities that moved from ₦59.50 billion in the fourth quarter of 2014 to ₦71.00 billion as at the end of the first quarter of 2015, representing an increase of 19.33 percent.

3.3.2 PFA Ranking by Size of RSA Assets

A review of PFAs' rank by size of RSA assets under management shows that the top three, five, and ten PFAs accounted for 55.47, 68.93 and 88.91 percent of total investment portfolio respectively at the end of the quarter.

Table 3.11: Rank of PFA by Asset Size

PFA Rank	Q1:2014		Q4:2013		Q1:2015	
	Amount (₦ Billion)	% of Total Pension Assets	Amount (₦ Billion)	% of Total Pension Assets	Amount (₦ Billion)	% of Total Pension Assets
Top 3	1,635.66	52.10	1,670.30	52.09	1,851.50	55.47
Top 5	2,020.50	64.36	2,060.94	64.77	2,300.55	68.93
Top 10	2,855.27	90.95	2,911.59	90.80	2,967.38	88.91
Bottom 3	25.28	0.81	26.58	0.83	12.71	0.38
Bottom 5	72.85	2.32	76.50	2.39	52.30	1.57
Bottom 10	283.35	9.03	2945.04	9.20	267.81	8.02

The bottom 10 PFAs could only account for 8.02 percent of total pension assets during the quarter. It is, however, clear from Table 3:11 that the share of the bottom 3 PFAs diminished from 0.83 percent of the total assets under management in the fourth quarter of 2014 to 0.38 percent in the first quarter of 2015.

3.4 Retirement/Terminal Benefits

3.4.1 Retirees on Programmed Withdrawal

The total number of retirees on Programmed Withdrawal (PW) increased by 3,340 from 103,081 as at the end of the fourth quarter of 2014 to close at 106,421 as at the end of the first quarter, 2015. This represented an increase of 3.24 percent as shown in Table 3.12. A sectoral breakdown of the total number of retirees shows that while the public sector accounted for 1,322 retirees (38.43 percent) the private sector accounted for 2,118 retirees (61.57 percent) in the first quarter of 2015.

Table 3.12: Number of Retirees on PW as at First Quarter, 2015

Period	Public		Private	Total	Lump sum (₦ Million)	Monthly PW (₦ Million)
	FGN	State				
Inception to Q4:2014	74,529	5,530	23,122	103,081	249,773.71	3,204.76
Q1: 2015	645	577	2,118	3,340	7,659.14	101.78
Total	75,174	6,007	25,240	106,421	257,432.85	3,306.54

Note: Public Sector refers to both Federal and State Governments

The monthly lump-sum withdrawals on Programmed Withdrawal in the first quarter of 2015 was ₦2.55 billion, which cumulatively amounted to ₦257.43 billion from inception to the end of the period under review.

3.4.2 Retirement by Life Annuity (LA)

The Commission received a total of 1,914 applications for retirement under the LA Plan in the quarter. All the requests were approved, which brought the total number of retirees on LA to 15,976. In addition, a total premium of ₦79.18 billion was approved for payment to insurance companies on behalf of the 15,976 retirees in return for monthly payments amounting to ₦790.10 million as shown in Table 3.13.

Table 3.13: Retirement by Life Annuity as at the end of Q1:2015

Period	Public		Private	Total	Lump sum (₦ Million)	Premium (₦ Million)	Annuity (₦ Million)
	FGN	State					
Inception to Q4: 2014	9,650	1,255	3,157	14,062	24,351.51	69,458.48	691.89
Q1: 2015	1,205	177	532	1,914	1,743.16	9,722.02	98.21
Total	10,855	1,432	3,689	15,976	26,094.67	79,180.50	790.10

A comparative analysis of retirees on LA and PW shows that while 13.05 percent of the retirees were under annuity, 86.95 percent were under PW. Thus, while retirees under the LA accounted for 9.20 percent of cumulative lump sum withdrawal, those PW accounted for the remaining balance of 91.80 percent.

3.4.3 Withdrawal of 25 Percent of RSA Balances

In the third quarter of 2014, the Commission granted approval for the payment of 25 percent of RSA balances amounting to ₦20.72 billion to 96,002 RSA holders who retired before the age of 50 years and having stayed for at least four months after retirement without securing any new employment. Out of this number, 91,355 (95.16 percent) were from the private sector and 4,647 (4.84 percent) from the public sector as shown in Table 3.14.

Table 3.14: Withdrawal of 25 percent of RSA Balance in the First Quarter of 2015

Period	Public		Private	Total	Total RSA Balance (₦ Million)	Total Withdrawal of 25 percent (₦ Million)
	FGN	State				
Inception to Q4:2014	3,685	778	92,245	96,708	126,487.16	31,621.79
Q1: 2015	128	202	7,123	7,453	9,135.68	2,283.17
Total	3,812	980	99,368	104,161	135,622.84	33,904.96

3.6 Approval of Death Benefits

During the quarter under review, approvals were given for the payment of ₦4.44 billion as death benefits to the Next of Kins (NOKs) of 1,450 deceased employees as shown in Table 3.16.

Table 3.16: Approval of Death Benefits as at Q1:2015

Sector	Public		Private	Total	Total Amount Paid (₦ Million)
	FGN	State			
Inception to Q4:2014	20,886	573	4,462	25,921	72,738.00
Q1: 2015	1,054	161	235	1,450	4,440.60
Total	21,940	734	4,697	27,371	77,178.6

Note: Total Amount paid is inclusive of Group Life Insurance Claims

The Table further shows that the sum of ₦77.18 billion had been paid to the NOKs of 27,321 deceased employees from inception to the end of the first quarter of 2015.