

NATIONAL PENSION COMMISSION (PenCom)

Annual Report 2011

& Statement of Accounts





CORPORATE VISION AND MISSION STATEMENT

Corporate Vision

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

Mission Statement

"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"



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MEMBERS OF THE BOARD



Chief Oluwole A. Adeosun, FCA, OON Chairman



Ms. Eyamba T. Henshaw Commissioner, Technical



Mr. Muhammad K. Ahmad

Director General



Dr. Musa A. Ibrahim Commissioner, Inspectorate



Mr. Manzuma T. Mamman
Commissioner, Administration



Mr. Pius N. Akubueze
Commissioner. Finance & Investment





MEMBERS OF THE BOARD



Alhaji Ali Abatcha Nigeria Union of Pensioners



Mr. Charles Bonat fice of the Head of Service of the Fed.



Mr. Lawal Sani Stores
Securities & Exchange Commission



Mrs. Ngozi Odega Federal Ministry of Finance



Mr. Suleiman Barau Central Bank of Nigeria



Mr. Segun Oshinowo Nigeria Employers Consultative Association



Mr. Ivor Takor Nigeria Union of Pensioners



Chinelo Anohu-Amazu
Commission Sec / Legal Adviser





EXECUTIVE COMMITTEE MEMBERS



Mr. Muhammad K. Ahmad



Ms. Eyamba T. Henshaw Commissioner, Technical



Dr. Musa A. Ibrahim Commissioner, Inspectorate



Mr. Manzuma T. Mamman Commissioner, Administration



Mr. Pius N. Akubueze Commissioner Finance & Investment



MANAGEMENT CONSULTATIVE COMMITTEE MEMBERS

Mr. Muhammad K. Ahmad Director General

Mr. Pius N. Akubueze Commissioner (Finance & Investment)

Ms. Eyamba T. Henshaw Commissioner (Technical)

Dr. Musa A. Ibrahim Commissioner (Inspectorate)

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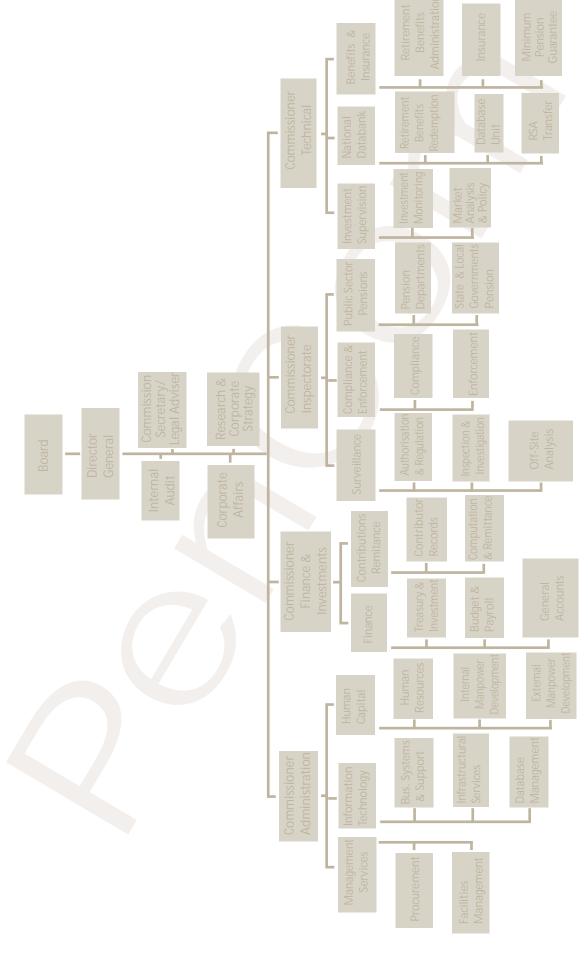
Mr. Nickolas Z. Mbajwa Ag. Head (Internal Audit Department)

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Mr. Emeka Onuorah Ag. Head (Corporate Affairs Department)



ORGANISATIONAL STRUCTURE









Chairman's Remarks

I am delighted to present the Annual Report and Statement of Accounts of the National Pension Commission (PenCom) for the year ended 31 December, 2011. The Report highlights major developments in the pension industry as well as the activities of PenCom. It also provides information on the Pension Industry during the review period.

A central theme that guided the activities of PenCom over the years had been the need to ensure the prompt payment of retirement benefits as well as the promotion of a vibrant and sustainable Pension Industry that impact positively on the economic development of Nigeria. During



Chief Oluwole A. Adeosun, FCA, OON

the year under review, PenCom continued its efforts in building on the fundamentals of the industry and enhancing its effectiveness as the regulatory authority through automation of its internal processes.

PenCom's regulatory and supervisory activities in 2011 remained anchored on the risk-based consultative philosophy of the Commission. These activities covered areas such as the issuance of guidelines, regulations, surveillance of licensed Pension Operators, compliance and enforcement; supervision of pension fund investments; and the maintenance of a databank on all pension matters.

A number of successes were recorded in fostering a strong and competitive Pension Industry during the year under review. In this regard, additional Frameworks and Circulars were issued, prominent among which were the Frameworks on resolution of failing operators in the Pension Industry and the recovery of outstanding pension contributions from employers. Others included the Circulars to raise the paid-up capital requirements of licensed Pension Fund Administrators from a minimum of N150 million to N1 billion unimpaired by losses with effect from June, 2012; requirements for PFAs with funds under management of N100 billion; and new requirements for appointments to Boards and top management positions of all PFAs.

In continuation of the amendment of the Regulation on Investment of Pension Fund Assets, which allowed new asset classes such as infrastructure bonds/funds, private equity and supranational bonds in 2010, PenCom is in the process of introducing a multi-fund structure for pension fund investments in Nigeria. Equally, it continued partnering with relevant stakeholders to support the development of the corporate bond market and the introduction of new investment outlets to diversify pension fund portfolio.

In the quest to increase the level of compliance with the PRA 2004, PenCom had continued to be active in carrying out regular on-site inspection of employers, collaborating with regulatory and professional bodies, issuing compliance certificates and conducting public enlightenment campaigns. This had led to the increase in the number of registrations and transfer of pension funds to licensed Pension Fund Operators. However, arrangements were made to appoint Recovery Agents to recover outstanding pension contributions and interest penalty from defaulting employers.

The Commission's continued efforts at encouraging State Governments to adopt the contributory Pension Scheme (CPS) had resulted in a total of 18 States adopting the CPS while 16 others were at various stages in their legislation processes for the adoption. PenCom would continue to







provide support and technical assistance to the states in their efforts at implementing the scheme.

The Commission had continued its collaborative activities with various corporate organizations and other stakeholders in the pursuit of its mandate. The World Bank/IFC under the Efficient Securities Markets Institutional Development (ESMID) project collaborated with the Commission to develop multiple funds structure for the investment of pension fund assets. In addition, PenCom collaborated with the Central Bank of Nigeria (CBN) under the Nigeria Islamic Finance Working Group to facilitate the development of non-interest banking and capital market instruments in Nigeria. A Roundtable on Private Equity Training was also jointly organized with the Commonwealth Secretariat and the Urban Development Bank of Nigeria as well as the Southern Africa Development Bank on Infrastructure Financing. PenCom would continue to explore areas of collaboration with other stakeholders to ensure the realization of its mandate.

For the coming year, PenCom's regulatory and supervisory activities would focus on strategic initiatives to improve the health of the industry through mergers/acquisitions, introduce a robust risk based supervisory framework and improve automation of the rendition of returns by operators. Similarly, efforts would be made to improve customer service delivery in the pension industry; enhance safety and fair returns of pension fund investments; and complete the automation of the internal processes of the Commission.

At this point, I would like to take the opportunity to welcome the new representatives of the Nigerian Labour Congress (NLC) and Federal Ministry of Finance, Mr. Owei Lakemfa and Mrs. Ngozi Odega respectively who joined the Board as non-executive members in the third quarter of 2011. They are widely experienced and their insights and contributions to the Board in the future will be greatly valued. The contributions of Mr. Ivor Takor and Mr. Athans A. Braimah, who represented these institutions, had been immense and well appreciated. I wish them well in their future endeavors.

I would also like to use this medium to express my appreciation and profound gratitude to the Director General, Executive Management, other members of the Board, Management and indeed, all staff of PenCom for remaining professional and maintaining high ethical standards in the discharge of their duties. I would like to assure the Management and staff of the Commission that the Board would continue to provide a conducive atmosphere to achieve their optimal performance. Finally, I implore my colleagues and all our stakeholders to rededicate themselves in "ensuring comfort at retirement" for Nigerians who contributed in their various ways to the development of the country during their working lives.





Director General's Report

I am pleased to present the 5th Annual Report of the National Pension Commission for the year ended 31 December, 2011. The report provides comprehensive information about the Nigerian Pension Industry, activities of the Commission, including its audited Financial Statement and of the Pension Fund Administrators.

Regulatory and Supervisory Framework

In order to sustain the safety of pension assets and a sound pension industry, a number of initiatives were implemented, which included issuance of guidelines on the resolution of



Mr. Muhammad K. Ahmad

failing operators in the Nigerian Pension Industry and recovery of outstanding pension contribution from employers. In the same vein, Guidelines on the Transfer of Nigeria Social Insurance Trust Fund (NSITF) contributions to employees RSAs were amended to allow employers make direct remittance of the NSITF contributions of their active employees into their respective RSAs. In addition, PenCom engaged employers that had remitted significant contributions of N20 million and above as well as CPFAs in order to fast track the transfer of NSITF contributions to the RSAs of their employees. Consequently, approvals were granted for the transfer of Nigeria Provident Fund (NPF)/NSITF contributions amounting to N4.78 billion in respect of 66,589 employees.

During the year under review, paid-up capital requirement for licensed PFAs was increased from a minimum of N150 million to N1 billion unimpaired by losses, which was expected to take effect from June, 2012. The increase in the minimum capital requirement is expected to lead to healthy mergers or acquisitions, thus promoting competition and stability in the industry. Similarly, PFAs with funds under management of N100 billion and above were issued new requirements on the set up of their administrative structures in addition to the requirements for appointments to the Boards and Top Management positions of all PFAs. The reviews were based on the need to strengthen the operations of PFAs given the significant growth in the size of pension assets under their management and the dynamics of the pension operating environment.

The risk-based supervisory model adopted by PenCom was used during the year under review to conduct both off-site and on-site examinations of Licensed Pension Operators. The examinations confirmed the efforts of the Operators to respond to the challenge of poor service delivery by opening Regional and Micro Offices throughout the country. Similarly, there was an increased level of industry capacity building initiatives by the Operators. In addition, preparations had commenced on implementation of IFRS to ensure enhanced transparency and compliance levels in the pension industry.

In a renewed effort to ensure that eligible employers implement the CPS, PenCom had requested for Expression of Interest (EOI) from Legal and Accounting firms to serve as agents to recover all outstanding pension contributions and interest penalty from defaulting employers. This was in addition to sensitization and public enlightenment campaigns, on-site inspection of employers, mailing of letters to identified non-compliant eligible organizations, collaboration with regulatory and professional bodies and the application of sanction regime. The inspections led to improved registrations by private sector employees with the opening of additional 31,487 RSAs and the remittance of N14.17 billion pension contributions.



There was an increase in the number of states implementing the CPS as two additional states, Ekiti and Taraba, enacted laws on the CPS during the year under review. This brought to 18 the total number of States that implemented the CPS while 16 other States were still at the bill stage for implementing the CPS. In the same vein, it is worthy to note that 4 states had commenced funding their Retirement Bond Redemption Fund Accounts during the year in their quest to make adequate provisions to finance the accrued pension liabilities of their employees. PenCom continued to offer technical assistance to the State Governments through the provision of training, sensitization seminars and workshops as well as revision of draft State Pension Bills with a view to ensuring smooth implementation of the Scheme in the states.

The Pension Industry

The Pension Industry operated in an atmosphere of robust and sustained macroeconomic policy stance during the year under review. The number of registered RSA holders increased by 8.4 percent from 4,542,250 registered in 2010. While memberships of Approved Existing Schemes (AES) recorded slight improvement of 0.20 percent, those of the Closed Pension Fund Administrators (CPFAs) witnessed a decline of 7.04 percent due to retirements. The public sector recorded the highest proportion of total RSA registration in 2011 at 2,702,899, representing 54.86 percent. Although the public sector RSA registration was larger than the private sector, the rate of increase in RSA holders was however higher in the private sector at 12.46 percent than the public sector with 5.40 percent. The total value of pension fund assets, based on unaudited valuation reports, increased from N2.03 trillion on 31 December 2010 to N2.45 trillion as at 31 December 2011, indicating a 20 percent growth. The value of pension fund assets of the RSA 'Active' Fund totaled N1.29 trillion as at 31 December 2011. This marked an increase of 31.93 percent from N980.29 billion recorded in 2010. The average monthly contributions by RSA holders was N19.08 billion in 2011 against the monthly average of N10.79 billion in 2010, representing an increase of 76.83 percent. Similarly, the average monthly contributions by the private sector contributors increased by 15.96 percent from N8.59 billion in 2010 to N9.96 billion in 2011.

The value of pension fund assets of the RSA 'Retiree' Funds increased by 47.99% from N127.31 billion in 2010 to N175.30 billion as at 31 December 2011. It would be recalled that the Retiree Fund was invested in fixed income securities as a result of which the fund was shielded from the volatilities that characterized the stock market in the year. The RSA Retiree Fund recorded a weighted average rate of return of 9.32 percent in 2011.

The AES assets grew marginally by N1.75 billion (.34 percent) from N517.81 billion in 2010 to N519.57 billion in 2011. Similarly, the value of the CPFA Fund assets had a net growth of N50.27 billion (11 percent), increasing from N404.37 billion in 2010 to N454.64 billion in 2011.

Challenges for the year 2011

The year under review was not without challenges, most significantly the inadequate funding of the Retirement Bond Redemption Fund (RBBRF) Account to settle the accrued pension rights of Federal Government employees and the poor performance of the stock market coupled with the nationalization of three commercial banks and their subsequent delisting from the capital market. All of these affected the return on pension fund investments during the year under review.

The Federal Government has, consistently and religiously, been setting aside 5% of its total monthly wage bill into the Retirement Bond Redemption Account with the Central bank of Nigeria for the settlement of the accrued pension rights of its employees since the commencement of the Contributory Pension Scheme as required by the Pension Reform Act, 2004. However, the Account has been overstretched in recent years with the upsurge of retirements from the Federal





Civil Service occasioned by the tenure policy, voluntary retirements and thousands of unredeemed death benefit claims resulting into heavy back log of arrears that cannot be accommodated due to paucity of Funds in the Account, giving rise to untold hardship to the affected retirees and Next of Kins of deceased employees.

The performance of the Stock Market was not quite impressive in 2011 as revealed by the large fluctuations in share price indices and the subsequent negative growth performance of the stock market capitalization, the NSE All Share Index, and the volume of traded securities. The activities in the Bond market were quite impressive during the period under review. The DMO reviewed its Bond issuing programmes in 2011 through reduction in the amount of local borrowing from the bond market; raising funds through the shorter tenured bonds, which included the 3-year and 5-year bonds based on the realization that longer tenured bonds were quite volatile. It also enhanced the local borrowing with the issuance of the Nigerian Sovereign Bond.

The banking sector witnessed another round of reform in 2011, which resulted into the nationalization of three banks, mergers and acquisitions as well as recapitalization of some banks in which core investors were to take the major stake in the recapitalized banks. Incidentally, the banking sector constituted more than 60 percent of traded stocks on the NSE. As a consequence of the banking crisis, the stock market capitalization fell and the return on equity investment declined as volume of stocks traded on the exchange went down. Moreover, the banking system accounted for 90 percent of financial system assets, thus, a properly functioning banking sector becomes crucial to ensure the stability of the financial system.

Collaborative Activities

Collaborative activities continued with local and multilateral organizations in order to count on the goodwill, expertise and experience of these organizations in tackling these challenges and consolidating the industry. These included continued engagement with the Federal Ministry of Finance and the National Assembly to adequately fund the Bond Redemption Fund Account and intensive collaboration with the CBN under the Nigerian Islamic Finance Working Group to facilitate the development of non-interest banking in Nigeria. Similar efforts involved working together with the World Bank/IFC under the Efficient Securities Markets Institutional Development ESMID project to develop multiple funds structure for the pension industry, joined efforts with the Commonwealth Secretariat to promote Private Equity investments in Nigeria and partnering with the Urban Development Bank of Nigeria and Southern Africa Development Bank to promote Infrastructure Financing using long term funds.

Future Outlook

The future outlook for the pension industry is quite promising and a combination of factors may contribute to the positive prospects of the industry in the short to medium term. This would, however, hinge on stable macroeconomic policy, stakeholders support and financial market stability. PenCom would advance its risk-based supervisory approach through the development and implementation of the robust risk based supervisory framework, which is expected to improve the effectiveness of on-site and off-site supervision of the Pension Industry.

The deadline for all the PFAs to recapitalize from a minimum paid up capital of N150 million to N1 billion is June, 2012. This would lead to injection of fresh capital and facilitate the consolidation of the Pension Industry. As the financial positions of the PFAs are improved, the pension industry would in turn witness improvements in service delivery, product development and competition.





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The enhanced financial positions of the PFAs would ultimately promote deployment of adequate IT infrastructure.

PenCom would sustain its reliance on state-of-the-art information and communication technology to strengthen its surveillance and supervisory activities of the pension industry. In this respect, the Commission would deploy the Oracle e-business suite in 2012 to enhance the internal processes of the Commission. In addition, the Risk Management and Analysis System (RMAS) application would be implemented as a means of enhancing the off-site supervision of the industry through timely and accurate rendition of returns by operators. All these would be complemented by the implementation of the Automated Finger Print Identification System (AFIS) that will facilitate the transfer of RSAs among PFAs.

Work has reached an advanced stage to introduce multi-funds in 2012. The multi-funds structure would give contributors the opportunity to select the fund in which their pension assets would be invested based on their risk appetite. In addition, the Commission will develop dynamic Regulation on Investment of Pension Fund Assets with focus on investments in asset classes that would contribute to the development of vital infrastructure in line with the Federal Government's Transformation Agenda.

Appreciation

I would like to show my appreciation for the unflinching support of the Chairman and Members of the Board of PenCom for their innumerable contributions to the modest success recorded during the period under review. I also owe a debt of gratitude to my colleagues on the Executive Committee, the Management and staff for the diligence and dedication to duty. Let me assure all staff that the Management on behalf of the Board, would continue to provide conducive environment for higher productivity with adequate reward and motivation for excellence.







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ABBREVIATIONS AND ACRONYMS

AES Approved Existing Schemes

AFIS Automatic Fingerprint Identification System
AMCON Asset Management Corporation of Nigeria
ASI All-Share IndexCBNCentral Bank of Nigeria

BPP Bureau for Public Procurement
CPFA Closed Pension Fund Administrator
CPS Contributory Pension Scheme

EOI Expression of Interest

CRS Contributor Registration System

DMO Debt Management Office

ESMID Efficient Securities Markets Institutional Development

EXCO Executive Committee

FGN Federal Government of Nigeria
RGDP Real Gross Domestic Product
GLIP Group Life Insurance Policy
IFC International Finance Corporation

MCC Management Consultative Committee MDAs Ministries, Departments and Agencies

MPG Minimum Pension Guarantee
NAICOM National Insurance Commission
NBS National Bureau of Statistics

NECA Nigeria Employers' Consultative Association

NHIS National Health Insurance Scheme

NLC Nigerian Labour Congress
NSE The Nigerian Stock Exchange

NSITF National Social Insurance Trust Fund

PenCom National Pension Commission
PenRRS Pension Returns Rendition System

PFA Pension Fund Administrator
PFC Pension Fund Custodian
PRA 2004 Pension Reform Act 2004

RBBRFA Retirement Benefits Bond Redemption Fund Account

RMAS Risk Management and Analysis System

ROI Return on InvestmentRSARetirement Savings Account

SEC Securities and Exchange Commission

TTM Term to Maturity VAT Value Added Tax

NPF National Provident Fund

ICPC Independent Corrupt Practices & Allied Offences Commission

IOPS International Organization of Pension Supervisors

NOK Next of Kin
DB Defined Benefit

FCT Federal Capital Territory

NUATE National Union of Air Transport Employees
AAAN Association of Advertising Agencies of Nigeria
ISSA International Social Security Organization





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MPR Monetary Policy Rate

NIBOR Nigeria Interbank Offer Rate

NTB Nigeria Treasury Bill
PE Private Equity
NAV Net Asset Value

MMI Money Market Instruments

OHSF Office of Head of Civil Service of the Federation







1.1 Organisational Mandate

The National Pension Commission (PenCom) was established on 25 June 2004 with the passage of the Pension Reform Act 2004 (PRA 2004). Section 14(1) of the PRA 2004 provides for the establishment of PenCom to "regulate, supervise and ensure the effective administration of pension matters in Nigeria".

1.2 Core Values

The core values of PenCom form an integral part of its people and culture, which are imbibed by its staff to effectively actualise its mandate. The core values emphasize Transparency, Responsiveness, Integrity, Proactivity and Professionalism (TRIPP).

- **Transparency:** In the pursuit of creating a pension industry that is transparent and accountable, PenCom employees are required to maintain the highest ethical standards and create an atmosphere of mutual trust and confidence through openness and clarity in the discharge of their responsibilities
- Responsiveness: The requirement for promptness and efficiency as well as the culture of timeliness and accuracy in service delivery is a cardinal quality of staff of PenCom.
- Integrity: Steadfast adherence to honesty and dedication are virtues that are a hallmark of all staff of PenCom.
- **Proactivity**: The ability to act in advance of future situation rather than just reacting a desirable quality that each staff of PenCom should possess.
- **Professionalism:** Staff of PenCom are expected to exhibit a high degree of professionalism in the discharge of their responsibilities. As such, staff must be competent, accountable, respectful, creative and above all, team players.

1.3 Supervisory Philosophy

The supervisory method is risk-based through on-site and off-site inspections. The supervisory function centers on surveillance, resolution and enforcement as well as risk management. It is heavily IT driven, open, transparent and consultative with zero tolerance for any infraction.

1.4 PenCom Charter

PenCom adopts a tailored approach in meeting the needs of each class of its stakeholders and hereby ensures the following:







- Timely payment of pension
- Security of pension assets

Contributors

Government

- Security of pension assets
- Ensure compliance of employers
- Ensure effective service delivery by operators



- Positive contribution to economic development
- Contribution to social security net

PenCom Staff

- A recognition and reward for good performance
- Provision of a learning environment, opportunities for career advancement and development
- Promotion of team spirit and provision of conducive working environment
- Provision of effective communication channels

Public

- Effective communication and enlightenment
- Responsive corporate citizen
- Environment friendly organization

Employers

Operators of New Schemes (RSAs)

- Proactivity and responsiveness
- Ensure compliance

Operators of Existing Schemes

- Safety of assets and fair returns on investment
- Effective supervision

Pension Operators

PFAs. CPFAs and PFCs

- Effective and efficient regulation and supervision
- Prompt regulatory and supervisory intervention on all operators' issues
- Capacity development for the industry

Insurance Companies and Pension Departments

- Continuous collaboration with NAICOM for a flourishing life insurance business
- Effective supervision of pension departments
- Technical support for both pension departments and insurance companies in the implementation of CPS

PART TANK CORPORATE

ACTIVITIES





2.1 Regulatory and Supervisory Activities

The regulatory and supervisory activities of PenCom was focused along five broad areas, namely:- issuance of guidelines and regulations; surveillance of licensed operators encompassing on-site and off-site supervision; ensuring compliance with and enforcement of the provisions of the Pension Reform Act 2004; supervision of pension fund investments; and maintenance of databank on pension matters. The activities were carried out in an open, transparent and consultative nature as in the preceding years, albeit with zero tolerance for any infraction.

2.1.1 Issuance of Guidelines and Regulations

In furtherance of the smooth operations of the pension industry, additional Frameworks and Circulars were issued during the year under review, which included the following:

- (a) Framework for resolution of failing operators in the Pension Industry: this defines thresholds for regulatory intervention as well as various resolution options for ailing operators that would be employed by the Commission under different circumstances.
- (b) Framework for recovery of outstanding pension contribution from employers: this provides a standard and cost effective procedure for ensuring that outstanding pension contributions (together with interest penalty) of employees under the PRA 2004 are recovered in favour of the respective Retirement Savings Accounts (RSAs) through the appointment of Recovery Agents.
- (c) Circular on Non Compliance of Licensed Operators with the Stamp Duties Act, 2004: this reminded the Pension Fund Operators to comply with the provisions of the Stamp Duties Act 2004 failing which they risk penalties as spelt out in Section 92 of the Act.
- (d) Circular on Minimum Share Capital Requirements for Licensed PFAs: this increased the minimum shareholder's fund from N150 million to N1 billion unimpaired by losses. This amount was considered adequate to absorb unforeseen losses and improve the financial condition as well as business processes of PFAs given the current market situation.
- (e) Circular on requirements for PFAs with funds under management of N100 billion and above and new requirements for appointments to Boards and Top Management positions of all PFAs: this spells out the minimum number of departments and the reporting channels between Executive Management and the Departments. In addition, the Circular reviewed the number of years of experience in relevant areas of expertise for all top management positions.

All Regulations, Guidelines, Frameworks and Circulars issues by PenCom are available on www.pencom.gov.ng.

2.1.2 Surveillance of the Pension Industry

Surveillance of Licensed Pension Operators involved both on-site and off-site examinations using the risk-based supervisory framework. During the period under review, on-site examinations covered 33 operators comprising of 22 Pension Fund Administrators (PFA), 7 Closed Pension Fund Administrators (CPFAs) and 4 Pension Fund Custodians (PFCs). The examination of the PFA's covered an assessment of 10 operational areas: The Company; Board



and Management; Information & Communications Technology; Pension and Benefit Administration; Fund Management; Fund Performance; Fund accounting; Risk Management; and Compliance and Internal control. On the other hand, the examination of the PFC's covered the core custody functions of collection, safe keeping, settlement and corporate action.

2.1.3 Off-Site Analysis of the Pension Fund Operators

The off-site analysis was conducted based on reports received on various aspects of operations of pension fund operators. The reports cover actuarial valuation, for defined benefit (DB) schemes, compliance, risk management and corporate governance. A summary of the issues identified from the reports is presented hereunder.

(a) Actuarial Valuation

Section 39(2) of PRA 2004 requires that companies or sponsors of DB Schemes shall undertake at the end of every financial year an actuarial valuation to determine the adequacy of its pension fund assets. As a result, 17 sponsors out of the 24 DB schemes submitted actuarial valuation reports of their pension schemes for year 2010. The review of the reports revealed that 9 out of the 17 DB schemes were fully funded while 8 had pension deficits amounting to N78.20 billion. Consequently, letters demanding explanations for the shortfall and the need to make up were written to defaulting organisations.

(b) Compliance

Monthly Compliance Reports were submitted by most Operators in line with Section 68(c) of PRA 2004 and Paragraph 3.2.4 of the Regulations for Compliance Officers issued by the Commission. A review of the Compliance Reports of some of the operators revealed isolated instances of violations of investment limits, unpaid retirement benefits, un-credited contributions, non-compliance with life Assurance Policy by employers and increase in un-invested cash as bank balances. The unpaid benefits and un-credited contributions were due to incomplete documentation by beneficiaries and receipt of contributions without accompanying schedules respectively. The Commission and PFAs would intensify enlightenment campaigns on the need for proper documentation by beneficiaries and employers. In cases of violations, the Commission had directed affected Operators to re-balance their portfolios

(c) Risk Management

Pension Fund Operators submit monthly Risk Management Reports as provided under the Guidelines on Risk Management Framework for Licensed Pension Operators. The review of the Reports forwarded by Operators revealed that while some of the Operators were in precarious financial position, few were also faced with high risk in different operational areas like marketing, financial, Information Technology (IT) and investment. The reports also revealed that some RSAs were unfunded.

(d) Corporate Governance

In terms of compliance with the Code of Corporate Governance for Licensed Operators issued by the Commission, reports from operators showed that even though there was substantial adherence to the Code, a number of issues were observed among which was the failure of some operators to carry out performance evaluation of the Board and its Committees. In addition, some Operators who were yet to appoint Independent Directors as provided under paragraph 4.1.2 of the Code were directed by the Commission to comply.



2.1.4 Compliance and Enforcement Activities

During the period under review, the Commission implemented various strategies to ensure compliance with provisions of the PRA 2004, especially by the private sector. The summary of the actions taken in respect of the different strategies for ensuring compliance are outlined below.

(a) Application of Regime of Sanctions

In pursuance of the implementation of the Regime of Sanctions, letters were mailed to 2,970 private sector organizations whose compliance status were yet to be ascertained. The letters required the organizations to comply with the PRA 2004 and provide appropriate evidences. At the expiration of the respective deadlines, 920 organizations responded and provided the required evidence(s) of compliance. The organizations that responded provided evidence of opening 31,551 RSAs to which N6.65 billion was remitted. Warning letters were issued to 2,050 organizations for failure to respond to the letters requesting for evidence of compliance with the PRA 2004. Monetary penalties were also imposed on 1,536 organizations for continued violation of the provisions of the PRA 2004 during the period under review while 451 organizations were publicly censured.

(b) On-Site Inspection of Employers

The Commission conducted on-site inspection on 271 organizations during the period under review. The inspections led to the opening of additional 31,487 RSAs by employees to which the sum of N14.17 billion was remitted. Out of the 271 organizations inspected, 225 had valid group life insurance policy cover in line with the provisions of the PRA 2004. The remaining 46 defaulting organizations would be assigned to Recovery Agents to recover the outstanding contributions with the interest penalty.

(c) Issuance of Clearance Letters to organizations bidding for contracts with Ministries, Departments and Agencies (MDAs)

In year 2011, a total of 1,280 applications for clearance letters were received out of which 935 clearance letters were issued. The remaining 345 applications were declined due to incomplete documentations. The list of organizations issued with clearance letters was sent to the Bureau of Public Procurement (BPP) for its information and necessary action. In addition, the names of the organizations issued with clearance letters were published on the Commission's website.

(d) Recovery of Unremitted Pension Contributions

The Commission advertised in National Dailies a request for Expression of Interest (EOI) for the provision of services of recovery of outstanding pension contributions and interest penalty from defaulting employers. Submissions of EOI by interested firms were reviewed. The Commission is to commence the recovery of outstanding pension contributions including the interest penalty from defaulting organizations with the appointment of Recovery Agents in 2012.

(e) Transfer of Legacy Pension Assets to Licensed Operators

Based on the Commission's prompting, some organizations transferred legacy pension assets worth N4.8 billion under their Management to Licensed Pension Fund Operators during the period under review.



2.1.5 Implementation of the CPS by States and Local Governments

Two additional states, Ekiti and Taraba enacted their laws on the Contributory Pension Scheme (CPS) in 2011. This brought to 18 the total number of States that have enacted their laws on the CPS. 16 States are still at the bill stage of adopting the CPS, while 2 states (Borno and Adamawa) were yet to commence any action.

Out of the 18 States that had enacted laws on the CPS, only 4 states had commenced the funding of their Retirement Benefit Bond Redemption Fund Accounts (RBBRFAs). The States and the balances in their RBBRFAs as at 31 December 2011 are shown in Table 1.1 below:

Table 1.1: Balance in RBBRF Account of State Governments

S/N	State	Balance in RBBRFA
1	Lagos	₩13 billion
2	Ogun (Local Government)	₩2.355 billion
3	Kaduna	₩1.6 billion
4	Niger	₩2.6 billion
	Total	N 19.555 billion

2.1.6 Resolution Activities

(a) Transfer of NSITF Contributions into Members Retirement Savings Account

In the period under review, the Commission amended the Guidelines on the Transfer of Nigeria Social Insurance Trust Fund (NSITF) contributions to employees RSAs to further allow employers make direct submission for the transfer of the NSITF contributions of their active employees. As at 31 December, 2011, approval was granted for the transfer of Nigeria Provident Fund (NPF)/NSITF contributions amounting to N4,780,550,399.00 in respect of 66,589 out of the 69,500 applications received from contributors. Also, in order to fast track the transfer of NSITF contributions to employees RSAs, the Commission pursued direct engagement with significant employers (employers that had remitted contributions of N20 million and above) and Closed Pension Fund Administrators.

Additional assets worth N2.12 billion were transferred to the Custodians of Trustfund during the year thus bringing the total assets transferred to N54.10 billion or 98.5 percent of the N54.87 billion NSITF pension assets scheduled for transfer to the PFA.

(b) Other Resolution Activities

The Commission granted approval to Amana Capital Pension Limited to exit the pension business and transfer the pension assets under its management to Sigma Pensions Limited.

2.1.7 Supervision of Investment of Pension Assets

PenCom continued its analysis of the investment valuation reports submitted by pension operators. The valuation reports availed PenCom of the opportunity to monitor pension fund investments to ensure compliance with the regulations on investment, valuation and fees structure as well as take prompt corrective actions, where necessary.





2.1.8 Databank on Pension Matters

In pursuant of Section 20(e) of the PRA 2004, PenCom developed and continued the maintenance of the database of all registered RSA holders under the CPS. Other contents of the database include the employer codes of registered employers; the nominal rolls of registered treasury funded MDAs of FGN; the details of their contributions; and details of redeemed retirement bond certificates. Similarly, the records of all FGN employees that retired under the CPS as well as those of intending retirees for 2011 and 2012 are maintained in the database.

2.2 Pension Operators Forum

The monthly Pension Operators' Forum continued during the year. The Forum provided a platform under which views were shared on policy issues affecting the pension industry. This helped in maintaining greater understanding between PenCom and licensed pension operators as well as assisted in nurturing ideas that would ensure the safety of pension assets and the general effectiveness of the industry.

2.3 Implementation of the Commission's Corporate Strategy Plan

The Commission's Corporate Plan 2009 – 2013 identified a number of core objectives and initiatives categorized into industry-wide and PenCom-specific, to be achieved within the lifetime of the plan:

Industry-Wide Objectives

- (i) Foster a strong and competitive pension sector that is driven by fit and proper persons.
- (ii) Ensure a safe and sound pension industry
- (iii) Ensure compliance with PRA 2004 and regulation thereby enhancing coverage and effective participation.
- (iv) Ensure safety and fair returns via diversified and efficient investment portfolios.
- (v) Ensure that retirees get their retirement benefits as and when due.

PenCom-Specific Objectives

- (i) To develop skilled manpower that meets the needs of the pension industry
- (ii) Strengthen the internal operations of PenCom to enable it effectively and efficiently discharge its duties and attain world class standards.
- (iii) To maintain a reliable, comprehensive and accurate database on the Pension Industry and to ensure prompt resolution of complaints and enquiries by stakeholders.

2.3.1 Strong and Competitive Pension Industry driven by Fit and Proper Persons

During 2011, PenCom continued to foster a strong and competitive Pension Industry through a number of measures. One of such measures was the raising of the paid-up capital requirement for licensed Pension Fund Administrators from a minimum of N150 million to N1 billion unimpaired by losses with effect from June, 2012. The increase in the minimum capital requirement is expected to lead to healthy mergers or acquisitions thus promoting stability in the industry. A second measure was a review of the requirements for PFAs with funds under management of N100 billion and above and new requirements for appointments to Board and top management positions for all PFAs. These reviews were based on the need to strengthen the operations of PFAs given the significant growth in the size of pension assets under management, and the changing dynamics of the pension business.





2.3.2 A Safe and Sound Pension Industry

Substantial effort was made by PenCom in implementing initiatives aimed at ensuring a safe and sound pension industry during the year under review. This included development of a robust risk-based supervisory framework for the pension industry. In addition, the development of the Risk Management and Analysis System (RMAS) Application had reached 90 percent completion level with the commencement of the deployment of the application at PenCom. On completion, the RMAS application would significantly enhance the supervision of pension operators by the Commission. Other measures taken during the year included the development of frameworks for the supervision of states and local governments and resolution of failing operators in the Nigerian Pension Industry.

2.3.3 Compliance with PRA 2004 and Enhancement of Coverage and Effective Participation

PenCom in conjunction with the Pension Operators continued to be active in increasing the level of compliance with the PRA 2004 thereby enhancing coverage and participation. Sequel to the development of a framework for the recovery of outstanding pension contributions and interest penalty from defaulting employers, the Commission is in the process of appointing Recovery Agents. To enhance the performance of the Recovery Agents, the Commission commenced arrangement to collaborate with the National Bureau of Statistics (NBS) to develop a database of eligible employers in the private sector.

2.3.4 Safety and Fair Returns on Pension Fund Investments

In continuation of its objective of instituting a dynamic Regulation on Investment of Pension Fund Assets which culminated in the introduction of new asset classes in December 2010, namely, infrastructure bonds/funds, private equity and supranational bonds, the Commission carried out a further amendment of the Investment Regulation and introduced a multi-fund structure for pension fund investments. Equally, the Commission had partnered with relevant stakeholders to support the development of the corporate bond market and promote the development of alternative assets in the Nigerian capital market.

2.3.5 Payment of Retirement Benefits As and When Due

The Commission continued to be active in this area. The automation of the approval process of retirement benefits was concluded within the year. This has enhanced the approval process and thus the prompt accessing of retirement benefits by retirees. In addition, PenCom had engaged a Consultant Actuary to advice on Guideline for Minimum Pension Guarantee (MPG). The initial draft guideline is currently being reviewed by the Commission.

2.3.6 Development of Skilled Manpower in the Pension Industry

PenCom made efforts in building capacity in the industry by organising workshops for the operators on a continuous basis. A yearly Conference for the Directors of all Pension Operators had been instituted. In addition, the Commission had collaborated with the Commonwealth Secretariat and the World Bank/International Finance Corporation to organize workshops on diverse issues such as infrastructure financing and private equity.



2.3.7 Strengthening the Internal Operations of PenCom

As part of the restructuring of the internal operations of the Commission, a number of changes were effected in the organogram as follows:

- The Corporate Strategy and Research Department was moved from the Technical Division to the Director General's Office and renamed Research and Corporate Strategy Department;
- ii Communication & Corporate Affairs in the Director General's Office was renamed Corporate Affairs Department;
- iii In the Technical Division, Investment Monitoring and Benefits Administration Departments were changed to Investment Supervision and Benefits & Insurance Departments respectively;
- iv In the Inspectorate Division, Public Sector Pension Schemes Department was changed to Public Sector Pensions Department;
- v In the Administration Division, Human Resources Department and Human Capital Unit were changed to Human Capital Department and Human Resources Unit respectively; and
- vi In the Finance and Investment Division, FGN Contributions Department and the Repository Unit were changed to Contributions Remittance Department and Contributor Records Unit respectively.

In addition, a number of initiatives were undertaken by the Commission to fully automate its processes and operations. In the reporting period, the implementation of the Oracle e-business solution to the internal operations of the Commission had reached advanced stage with deployment expected within the second quarter of 2012. Members of staff were made to undergo external and internal training programmes based on identified gaps as part of the continuous capacity building objective of the Commission.

2.3.8 Maintenance of a Reliable, Comprehensive and Accurate Database on the Pension Industry

In the reporting period, PenCom continued the implementation of initiatives in the quest to maintain a comprehensive and accurate database on the pension industry. Towards this end, the implementation of the Automated Fingerprint Identification System (AFIS) to uniquely identify contributors and eliminate multiple registrations had reached the completion stage.

2.4 Departmental Activities

2.4.1 Benefits and Insurance Department

The Department reviewed and approved requests for the payment of retirement benefits submitted by Pension Fund Administrators (PFAs) on behalf of retiring RSA holders. Also, it approved the payment of death benefits, access to RSA balance on health ground, payment to departing foreign nationals who contributed under the CPS as well as employees who were disengaged from work due to termination or dismissal. The Department commenced some background activities toward the implementation of the Minimum Pension Guarantee (MPG) as provided in Section 71 of the PRA 2004.



2.4.2 Compliance and Enforcement Department

The Department continued to implement various strategies to ensure compliance with the provisions of the PRA 2004. These include on-site and off-site inspection of employers and public enlightenment campaigns. In addition, the Department facilitated the transfer of legacy pension assets from the management of some organizations to Licensed Pension Fund Operators. In order to facilitate the direct transfer of NSITF contributions by employers to their active employees RSAs, the Guidelines on Transfer of NSITF Contributions were amended.

Clearance letters were issued to deserving organisations bidding for contracts with Federal Government Ministries, Departments and Agencies (MDAs) in accordance with the provisions of the Public Procurement Act 2007.

2.4.3 Contributions Remittance Department

The Department computed and remitted the pension contributors of employees of Treasury-Funded FGN MDAs not covered by the Integrated Personnel Profile and Identification System (IPPIS) Project. The Department also collaborated with the Independent Corrupt Practices and Other Related Offences Commission (ICPC) to organize a sensitization workshop for Pension Desk Officers (PDOs) of FGN MDAs on the new personnel profile template as a way of enhancing the remittance of pension contributions. Consequent upon this collaboration, a total of 199 (One Hundred and Ninety Nine) MDAs submitted their personnel Nominal Rolls with a total of 198,089 records, which were updated accordingly.

2.4.4 Corporate Affairs Department

The Department actively participated in sensitizing the public on the workings of the CPS through media programmes and the placement of advertisements in both the print and electronic media. This was with a view to promoting the corporate image as well as keeping the general public abreast of the activities of PenCom. The Department also provided protocol services such as immigration requests, ticketing and procurement of visas. It collaborated with relevant government arms and agencies for harmonious working relationship with the Commission.

2.4.5 Finance Department

The Department is mandated to maintain complete, accurate and reliable financial records as well as ensuring the provision of funds for the smooth operations of the Commission. Towards this end, the Department coordinated the preparation of the Commission's budget for 2011 and ensured strict compliance with the various budget control mechanisms put in place. Similarly, the Department facilitated the external audit of 2010 Statement of Accounts of the Commission.

The Department provided and ensured best practice on physical control of the Commission's fixed assets which warranted periodic updates of the fixed assets records during the period under review.



2.4.6 Human Capital Department

Capacity building for staff and the Industry continued to take a centre stage in the implementation of the reforms in the pension industry. In this regard, the Department facilitated the collaboration with local and international training organisations that availed all staff the opportunity to attend meetings, conferences, seminars, workshops or other forms of training in 2011. In addition, several in-house/in-plant training programmes in specific areas of need or skill were organised for staff.

Similarly, the Department coordinated the design of a Performance Management System to enhance and objectively measure the productivity of staff of the Commission.

2.4.7 Information Technology Department

The Information Technology Department provides the ICT support towards achieving the Commission's objectives. Towards this end, the Department provided technical support in the development and implementation of the Risk Management and Analysis System (RMAS); the installation and customization of the Oracle e-business suite; and the deployment of the Automatic Fingerprint Identification System (AFIS). It also established fibre optic link to the Commission's disaster recovery/co-location site to ensure online backup of its data within the year.

The Department also provided the required support for the existing hardware, connectivity and applications such as the Contributor Registration Application (CRS) and the Pension Returns Rendition System (PenRRS) in the Commission.

2.4.8 Internal Audit Department

The Department carried out prepayment and post payment audit on the financial transactions of the Commission. This was with a view to ensuring that laid down procedures and policies were followed. Reconciliation of remittances of Pension Contributions and Accrued Rights of active and retiring Federal Government workers made to the PFAs/PFCs were respectively carried out during the year under review.

Other activities carried out were the monitoring of the security systems to ensure that the risk to assets of the Commission is ameliorated. Re-evaluation of control procedures and other compliance issues to mitigate risk were also done.

2.4.9 Investment Supervision Department

During the year under review, the Department conducted daily and monthly reviews and analysis of valuation reports on pension portfolios rendered by the Pension Fund Operators, to ensure compliance with the Regulation on Investment of Pension Fund Assets as well as the safety and maintenance of fair returns on investments.

The Department also collaborated with the World Bank/International Finance Corporation (IFC) to review and further amend the Regulation on Investment of Pension Funds. This was carried out





under the World Bank/IFC ESMID Africa Technical Assistance Programme. In addition, the Department issued the Guidelines on Direct Investment in Real Estate by CPFAs and Approved Existing Schemes (AES) that operate Defined Benefit (DB) Schemes.

2.4.10 Management Services Department

The Department provided the necessary material and logistics support for the smooth operations of the Commission. This was achieved in line with the amended Public Procurement Act of 2007. In addition, the Department coordinated the process for setting up of the Zonal Offices in the 6 (Six) geo-political Zones. It also supervised the supply of all approved equipments and materials needed to foster effective and efficient service delivery in the Zonal Offices.

2.4.11 National Data Bank Department

In efforts to maintain a comprehensive database of records of contributors, retirees and other related activities, the Department registered contributors, verified and validated potential retirees as well as remitted accrued pension benefits to the RSAs of retirees of FGN Treasury Funded MDAs. It also generated employer codes for private sector organizations and State Government MDAs that commenced implementing the CPS during the year.

In addition, the Department organised a one-day sensitization workshop for Pension Fund Operators as a way of acquainting them with the key sections of the draft Regulations on RSA Transfer between PFAs and their expected role in the transfer process.

2.4.12 The Commission Secretariat/Legal Department

During the period under review, the Commission Secretariat organized and facilitated the conduct of the meetings of the Commission's Board and its Sub-Committees. Meetings of the Executive Committee (EXCO) as well as the Management Consultative Committee (MCC) were coordinated by the Secretariat.

As part of its functions, the Legal Department offered legal advisory support on a variety of issues ranging from the coverage of the Contributory Pension Scheme to the exit of the Military and Security Agencies from the Scheme. Advisory services were also provided on issues relating to the Guidelines and Regulations issued by the Commission, compliance and enforcement matter and the corporate activities of the Commission. These services were rendered to all divisions of the Commission and external stakeholders.

In furtherance of its duty to manage existing and impending litigations, 17 cases were handled by the Department, most of which were in respect of the regulatory activities of the Commission and the administration of retirement benefits.

2.4.13 Public Sector Pensions Department

The Department continued the supervision of the Pension Departments, the Unified Pension Schemes and the implementation of the CPS by the state governments. Following the amendment of the PRA 2004, which exempted the Military and Security Services Agencies (NIA and SSS) from the CPS and the enactment of the State Security Service Pensions Act 2011, the Department facilitated a hitch-free transition of the Agencies from the CPS to the DB Scheme. It





also provided the required data and co-coordinated the process of re-distribution of the accumulated pension assets of the Agencies. Similarly, the Department carried out the maiden inspection of the FCT Pension Department and FCT Area Council Staff Pension Board within the year under review.

The Department embarked on the verification and enrolment of Next-of-Kin (NOK) of deceased pensioners under the Parastatals' Pension Verification Exercise I (PPVE I) to determine the death benefits due to the beneficiaries. It also concluded an independent review of the PPVE I computations.

The Department also provided technical support such as training, sensitisation programmes and review of draft state Bills on CPS. This was with a view to ensuring smooth implementation of the CPS in the states.

2.4.14 Surveillance Department

The Department carried out on-site and off-site examinations on Licensed Pension Operators. The examinations of the PFAs covered 10 operational areas while those of PFCs covered the core custody functions of collection, safe-keeping, settlement and corporate action. Apart from the on/off site examinations, special examination was conducted on two operators. The examination led to the removal of 3 Directors and the appointment of an interim Management Committee for the PFA. The Department also coordinated the consultative meetings with pension operators in line with the consultative philosophy of PenCom.

2.4.15 Research and Corporate Strategy Department

During the period under review, the Department monitored the implementation of all departmental planned activities in line with the Commission's Corporate Strategy Plan for 2011. Other activities carried out by the Department included the preparation of the Commission's 2010 Annual and Quarterly Reports; papers and speeches for presentation at sensitization programmes; drafted position papers for members of Executive Committee (EXCO) on pertinent issues; maintained statistics on the pension industry; managed the Commission's Website and the general e-mail box; and monitored the level of service delivery in the Commission.

2.5 Other Activities of the Commission

2.5.1 Public Awareness Campaigns

In continuation of its public enlightenment campaigns, the Commission presented Goodwill messages at the Annual Education Programme of the Nigeria Labour Congress (NLC) at Uyo in Akwa Ibom State and interacted with Nigeria Employers' Consultative Association (NECA) in different locations of the country. Similar interactions were conducted with the Association of Advertising Agencies of Nigeria (AAAN) in Lagos; the National Union of Air Transport Employees (NUATE) in Lagos; and the National Health Insurance Scheme (NHIS) in the six geo-political zones of the country. In addition, the Commission participated in the workshop organised for Board Members of the Bayelsa State Pension Board and key Executives of the MDAs in the State to sensitise the participants on their roles and functions under the CPS. It also organised a workshop for Finance, Insurance & Labour Media Correspondents' and Business Editors in Enugu with the view to keep the media abreast of the Commission's activities.





Similarly, the Commission facilitated on seminars and workshops organized by various institutions in the private and public sectors to address concerns on the implementation of several aspects of the CPS.

2.5.2 Collaborative Activities

In order to utilize the expertise and experiences of other domestic and international organizations in pursuit of its mandate, the Commission during the period under review, collaborated with the following organizations in various technical areas:

- (i) The World Bank/IFC under the Efficient Securities Markets Institutional Development (ESMID) project, to develop multiple funds structure for the pension industry;
- (ii) The Central Bank of Nigeria (CBN) under the Nigerian Islamic Finance Working Group, to facilitate the development of non-interest banking and capital market instruments in Nigeria;
- (iii) The Commonwealth Secretariat in organizing a Roundtable on Private Equity Training; and
- (iv) Urban Development Bank of Nigeria and Southern Africa Development Bank in organizing a workshop on Infrastructure Financing.

2.6 Membership of Professional Organizations

The Commission renewed its membership of two international organizations, namely the International Organization of Pension Supervisors (IOPS) and the International Social Security Association (ISSA). Apart from the benefits derivable from the experiences of other members of the organizations, the Commission continued to derive the following benefits:

- (i) Access to timely information and expert advice to build and promote dynamic pension system. Indeed, the Commission's membership of the IOPS has contributed immensely to improved quality and effectiveness of the supervision of the CPS as a result of adherence with the IOPS principles of pension supervision.
- (ii) As a standard-setting body on pension regulatory and supervisory matters, the Commission and other pension institutions have benefited from the IOPS tool kits for risk-based supervision that was launched in 2010.
- (iii) The ISSA provides pension and other social security institutions with general principles and considerations for sound corporate governance. These principles are the basis for conducting corporate governance issues in the Commission's examination of Pension Fund Operators.
- (iv) The IOPS and ISSA served as platforms for networking among members and exchange of ideas as well as ensuring sustainable pension systems among member countries.
- (v) The institutions provide members with requisite knowledge for the smooth functioning of their pension schemes and other social security programmes as well as facilitate the internalisation of such acquired knowledge.





(vi) The identification and sharing of good practices by these organizations has helped the Commission, other pension institutions and other social security organizations to improve their operational and administrative efficiency. In fact, the good practice award was launched by the ISSA in 2011 and many countries have benefited from these awards. Similarly, the IOPS jointly developed set of Good Practices on Pension Funds Use of Alternative Investments and Derivatives with the Organization of Economic Cooperation and Development (OECD) in 2011 following due consultations with member countries.





PART THE DENISION

THE PENSION INDUSTRY





3.1 The Operating Environment

3.1.1 Macroeconomic Developments

The Nigerian economy witnessed marginal slowdown in economic performance in 2011 as the Real Gross Domestic Product (RGDP) declined from 7.87 per cent recorded in 2010 to 7.69 percent as projected by the National Bureau of Statistics (NBS). The marginal decline notwithstanding, the sustainability of the robust economic growth was accounted for by the nonoil sector that made 85.73 percent contribution to the growth of the economy at the expense of the oil sector that made a modest contribution of 14.73 percent.

The robust growth recorded in 2011 could be seen as a signal to the growth and development of the pension industry in 2012 that could translate into improved compliance with the Contributory Pension Scheme, increase in buy-in by private sector employers and State Governments and hence, increase in the number of registered Retirement Savings Account holders.

The rate of inflation declined marginally by 0.50 percent in 2011 as it reduced from 10.80 percent in 2010 to 10.30 percent. The marginal decrease in inflation rate notwithstanding, the double digit rate of inflation has a consequence on the retirees in terms of reducing their purchasing power. Similarly, it has negative impact on the real return on pension fund investment, especially where such returns are lower than the rate of inflation.

3.1.2 Developments in the Nigerian Stock Market

The performance of the Stock Market was not quite impressive in 2011 as revealed by some indices. The Nigerian Stock Exchange All Share Index (NSE ASI) declined by 16.31 percent from 24,770.52 point at the end of 31 December, 2010 to close at 20,730.63 point as at 31 December, 2011. Similarly, market capitalization which measures the value that investors place on value of listed companies witnessed a decline during the period under review. The stock market capitalization declined by 17.45 percent from N7.91 trillion as at 31 December, 2010 to close at N6.53 trillion as at 31 December, 2012.

A graphical representation of the month-on-month growth of ASI and stock market capitalization shows that these two indices recorded negative growth for 8 out of twelve months of the year as shown in Figure 1.



Figure 3.1: Month-on-Month growth of Stock Market Capitalization



The negative performance of the Stock Market could be explained by such factors as: high yields in fixed income securities and in the money market instruments as a result of the contractionary monetary policy stance of the Central Bank of Nigeria (CBN); general risk aversion that made investors to divest from equities; instability in the banking industry that resulted into the nationalization and acquisition of some under-capitalized and troubled banks; and the general state of insecurity in Nigeria.

3.1.3 Developments in the Bond Market

The activities in the Bond market was quite impressive during the period under review as the Debt Management Office (DMO) sold a total of N863.27 billion worth of Federal Government of Nigeria (FGN) Bond, which was oversubscribed by 119.31 percent.

The DMO reviewed its Bond issuing programmes in 2011 by adopting the following strategies: reduction in the amount of local borrowing through the bond market; raising of funds through the shorter tenured bonds, which included the 3- and 5-year bonds based on the realization that longer tenured bonds were quite volatile; and the enhancement of the local borrowing with the issuance of the Nigerian Sovereign Bond of US\$500 million.

The strategies were adopted to reduce the funding pressure on the local bond market in order not to crowd out private investors; reduce volatility in bond prices; and develop benchmark for corporate organizations in Nigeria for the purpose of accessing the international Bond Market as a source of investible capital.

In 2011, the DMO sold a total of N366.50bn, N262.67bn, and N234.10bn worth of 3-year, 5-year and 10-year FGN Bonds. The average marginal rates of returns on these Bonds were 11.15, 12.17, and 14.54 percent for the 3-year, 5-year and 10-year FGN Bonds respectively. Thus, Bond market witnessed positive real rate of return on bonds of different tenors during the review period.

3.1.4 Developments in the Money Market

In the effort to reduce the consequences of the excessive demand pressure at the Nigerian foreign exchange market as well as contain the rising rate of inflation, the CBN pursued restrictive monetary policy stance for most of the period in 2011. The thrust of the monetary policy stance included a combination of some increases in the Monetary Policy Rate (MPR) and mopping of excess liquidity through the continuous application of Open Market Operation by the CBN. The MPR, being the interest rate that drives other rates interest in Nigeria, was consistently increased six times from 6.25 percent in January to 12.00 percent as at 31 December, 2011.

As a consequences of the tight monetary policy stance of the CBN and following the consistent increase in the MPR, other rates of interest in the money market rose in tandem with the MPR. For example, the Nigerian Inter-Bank Offered Rate (NIBOR) increased throughout the year as the 7-day NIBOR moved from 9.67 percent at the close of 2010 to 14.63 percent as at 31 December, 2011.

The primary segment of the money market was also a beehive of activities as the Nigerian Treasury Bills (NTBs) of various tenors recorded unprecedented levels of oversubscriptions. For example, the 91-, 182-, and 364-day tenors recorded 186.91, 221.68 and 227.82 percent





level of subscription during the period of review.

Pension fund investment also benefited from the tight monetary policy stance of the CBN which witnessed increases in rates of interest on various money market instruments. Thus, the average rate of return on Pension Fund Investment in the year was 11.40 percent, which was slightly higher than the rate of inflation of 10.30 percent recorded in the year.

3.1.5 Developments in the Banking Industry

In a continued effort to reform the Banking Industry, the CBN initiated some strategies, which included:

- (i) Three distressed banks that were at the verge of collapse during the period under review were resolved through Bridge Bank Resolution Strategy. This necessitated the injection of the N678 billion by the Asset Management Corporation of Nigeria (AMCON) into the three banks as a means of assuring the safety of depositors' funds. Subsequently, these banks had their names changed and capital injected. As part of the consequences of the nationalization, the erstwhile shareholders of the banks lost their total equity investment in these banks. Similarly, the banks were de-listed from the Daily Official List (DOL) of the Nigerian Stock Exchange (NSE).
- (ii) Mergers and Acquisition in the Banking Industry. There was a merger arrangement between Access and Intercontinental Banks following the approval of the shareholders, approvals of the CBN and the Securities and Exchange Commission (SEC). However, while Intercontinental Bank operated as a subsidiary of Access in 2011, it would be merged with Access Bank in the second quarter of 2012. Similarly, Ecobank Transnational Incorporated Plc acquired 100 percent of the outstanding share capital of Oceanic Bank Plc in a signed Transactional Implementation Agreement in July, 2011.
- (iii) As part of the reform programme, some Banks were recapitalized where a core investor was to take the major stake in the banks. The affected bank in this regard was the Union Bank where the preferred core investor was a consortium of private equity firms headed by African Capital Alliance.

As a consequence of the banking crisis, and based on the CBN and the Nigeria Deposit Insurance Corporation (NDIC) audit, the CBN tightened inter-bank liquidity and put in place an Inter-bank Guarantee Scheme. The scheme was to avert the contagion effect of perceived liquidity distress amongst some banks in the Nigerian banking system. Following the resultant effect of smoothing the gradual resolution of the banking crisis, the CBN had to shift the expiry date of the inter-bank guarantee to December, 2011 from the original date of September, 2011.

3.1.6 Developments in the Insurance Industry

The National Insurance Commission (NAICOM) intensified its strategic efforts during the review period to increase insurance penetration in the country through a medium-term plan (2009–2012) known as Market Development and Restructuring Initiative (MDRI) project. The project is premised on four key areas namely: enforcement of compulsory insurance products; sanitization and modernization of the insurance agency system; wiping out of fake insurance institutions; and introduction of risk-based supervision. The project is expected to



enhance citizens' access to relevant, affordable and problem solving insurance products and lower insurance gap from the present 94 percent to 70 percent. In addition, it is envisioned that the industry gross premium would have moved to N1 trillion from N160 billion by the end of the plan period (2012).

As part of the dividends of the NAICOM efforts, and the sensitization and public enlightenment campaigns of the Commission, the awareness of annuity as a retirement plan product increased tremendously in 2011 as the number of retirees on annuity jumped from a total of 74 in 2010 by 632 to close at 706 as at 31 December, 2011. This represented an increase of 854 percent over the figure recorded as at December, 2010.

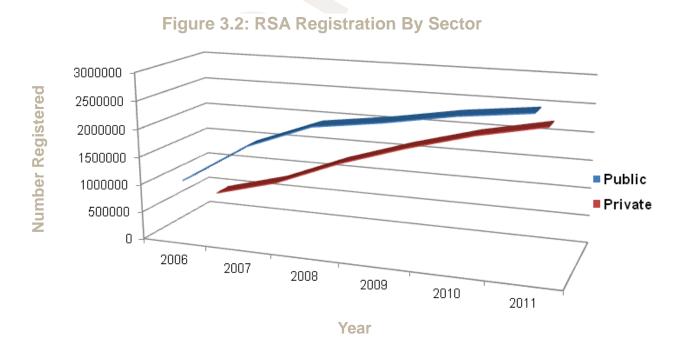
3.2 Registration of Contributors

As in the previous years, the public sector dominated total RSA registrations during the period under review. However, the number of registrations in the private sector witnessed remarkable increases as the number of RSA holders in the sector increased by 246,377 as total registration moved from 1.98 million in 2010 to 2.22 million in 2011, representing an increase of 12.46 percent. This could be seen as a consequence of intensive compliance efforts of the Commission and the marketing strategies of the Pension Fund Administrators (PFAs).

3.2.1 Membership of RSA

The total RSA registrations in the private and public sectors recorded some improvements during the period under review as total registration increased from 4,542,250 in 2010 to 4,927,216 in 2011, representing an increase of 384,966 (8.50 percent). The public sector accounted for a higher proportion of total registration in 2011 at 2,702,899, representing 54.86 percent.

A graphical presentation of public/private sector memberships of RSA is presented in Figure 3.2.





A review of Figure 3.2 shows that the total number of registered RSA holders increased in both the public and private sectors from inception to date. It can be inferred that although the public sector RSA registration was larger than the private sector, the rate of increase in RSA holders was however higher in the private sector than the public sector.

Apart from the intensive compliance efforts by the Commission, the increase in the private sector RSA registrations could be explained by a provision of the Public Procurement Act 2007 which stipulates that Bidders for Federal Government Contracts should provide evidence of compliance with PRA 2004 as part of the requirements for such bids.

The increase in the public sector RSA registrations could be ascribed to the continuous buy-in from the State Governments and other Federal Government Agencies accounted for the renewed dominance of the public sector in 2011. In fact, 18 State Governments have enacted their CPS Bills into Law, 16 others were at the Bill stage for the adoption of the CPS, while two states were yet to commence any action as at 31 December, 2011.

Table 3.1: RSA Registrations in 2011

Age Range	Public Sector		Private Sector		Total		Grand Total	
Age italige	Male	Female	Male	Female	Male	Female	Number	%
Less than 30 yrs	458,646	179,462	565,948	234,403	1,024,594	413,865	1,438,459	29.20
30 - 40 yrs	567,907	323,129	652,109	193,357	1,220,016	516,486	1,736,502	35.24
41 - 50 yrs	503,800	274,866	338,342	65,690	842,142	340,556	1,182,698	24.00
51 - 60 yrs	266,541	101,319	130,717	14,563	397,258	115,882	513,140	10.41
Above 61 yrs	22,821	4,408	26,690	2,498	49,511	6,906	56,417	1.15
Total	1,819,715	883,134	1,713,806	510,511	3,533,521	1,393,695	4,927,216	100.00

A review of RSA registration by age distribution of participants shows that the contributors in the age bracket "30-40" accounted for the highest proportion of RSA holders in 2011 as shown in Table 3.1. This age category accounted for 35.24 percent of RSA holders during the period under review. RSA holders in the age bracket "less than 30 years" made the second highest proportional contribution at 29.20 percent in the year. In all, these two age brackets accounted for more than half of the RSA holders at 64.44 percent in 2011.

The implication of the foregoing is that RSA holders are relatively young. This provides the haven for investing Pension Funds in relatively long-term investments without fear of investment mismatch. Thus, pension funds can be conveniently invested in line with the current dynamic guidelines on pension fund investment.

It is expected that RSA registration will continue to grow as more state governments implement the CPS and more private sector employers buy into the scheme in view of compliance efforts of the Commission and the marketing strategies of the PFAs. It is expected that the Pension Industry would continue to leverage on the stable macro-economic policies, robust economic growth, and collaboration with other regulatory agencies upon which the industry had thrived in the past.



3.2.2 Memberships of CPFA and AES

The respective membership of CPFAs and AES were 41,752 and 24,730 as at 31 December, 2011.

Table 3.2: Membership of CPFAs in 2011

Enrolment Ty pe	Number	Percentage of Total
Active Members	25,525	61.13
Current Pensioners	14,844	35.55
Deferred Pensioners	149	0.36
Dependants	1,234	2.96
Total	41,752	100.00

Note: Dependants are protégés of the deceased

Deferred pensioners are pensionable retirees who are not eligible to start drawing pensions until they reach certain age in accordance with the rules and regulations of their respective schemes.

Table 3.3: Membership of AES in 2011

Enrolment Type	Number	Percentage of Total
Active Members	18,926	76.53
Current Pensioners	5,209	21.06
Deferred Pensioners	595	2.41
Total	24,730	100.00

3.3 Pension Contributions

The total pension contributions into the RSA of employees in the private and public sectors amounted to N348.45 billion in 2011 as shown in Tables 3.4 and 3.5. The public sector accounted for N228.92 billion, which represented 65.70 percent of total pension contributions in the year. However, cumulatively, total pension contributions as at 31 December, 2011 amounted to N1,282.00 billion. This was made up of N796.05 billion contributions from the public sector, which represented 62.09 percent of total contributions and N485.95 billion, which represented the remaining balance of 37.91 percent.

Table 3.4: Public Sector Pension Contributions

Year	Amount (N Billion)	Percentage of Total
2004	15.60	1.96
2005	34.68	4.36
2006	37.38	4.70
2007	80.63	10.13
2008	99.28	12.47
2009	137.10	17.22
2010	162.46	20.41
2011	228.9 2	28.76
TOTAL	796.05	100.00



The total contribution by the public sector included N68.72 billion from participating State and Local Governments' employees and self-funding State and FGN agencies. The average monthly contributions for the public sector successively increased from N6.34 billion in 2008 to N6.85 billion in 2009, N10.79 billion in 2010, and N19.08 billion in 2011.

Table 3.5: Private Sector Pension Contributions

Year	Amount (N Billion)	Percentage of Total
2004	-	_
2005	-	
2006	23.03	4.74
2007	68.34	14.06
2008	80.81	16.63
2009	91.21	18.77
2010	103.03	21.20
2011	119.53	24.60
TOTAL	485.95	100.00

Similarly, the private sector pension contribution recorded an increase in 2011 as it moved from N103.03 billion in 2010 to N119.53 billion in 2011, representing an increase of 16.01 percent. However, the average monthly pension contribution increased from N8.59 billion in 2010 to N9.96 billion in 2011, representing an increase of 15.96 percent over the figure reported in 2010.

3.4 Industry Portfolio Analysis

The total value of pension fund assets, based on unaudited valuation reports, increased from N2.03 trillion on 31 December 2010 to N2.45 trillion as at 31 December 2011, indicating a 20 percent growth in absolute value. The aggregate portfolio of the industry assets is shown in Table 3.6 below.

Table 3.6 shows that 55.79 percent of total pension assets were invested in Federal Government Securities due to relatively high yields offered as against 40.85 percent recorded in 2010. Similarly, the proportion of investment in State Government and Corporate Debt Securities increased from 3.43 percent and 2.50 percent in 2010 to 4.50 percent and 3.07 percent in 2011 respectively. On the other hand, the continuing bearish run in the stock market and low interest rates in the money market in between the first and third Quarters of 2012 had eroded investors' confidence, causing pension fund managers to restructure their portfolios in favor of safe and higher yielding FGN Securities. Thus, investment in quoted equities decreased from 17.64 percent of total pension assets in 2010 to 13.09 percent in 2011.



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Table 3.6: Portfolio of Pension Funds as at 31 December 2011

S/N		RS	6A	AES	CPFA		To	tal		Variance	
	Asset Class	Active	Retiree			31 Decemb	cember 2011 31 December 2010		er 2010	(Btw 2010 & 2011)	
	Asset Olass	Amount (N billion)	Amount (Name of the billion)	Amount (N billion)	Amount (Name billion)	Amount (Name billion)		Amount (N billion)		Amount (₩ billion)	
1	Quoted Equities	145.53	1.37	106.26	66.66	319.82	13.09	358.03	17.64	(38.21)	(10.67)
2	FGN Securities	895.13	118.83	221.61	127.36	1,362.93	55.79	829.20	40.85	533.73	64.37
3	State Govt. Securities	65.98	12.29	24.37	7.17	109.81	4.50	69.60	3.43	40.21	57.77
4	Corporate Debt Securities	26.79	4.94	14.32	28.84	74.89	3.07	50.73	2.50	24.16	47.62
5	Local Money Market Securities	141.10	33.68	74.89	62.68	312.35	12.79	489.25	24.10	(176.90)	(36.16)
6	Open/Close end Funds	7.18	0.55	1.70	2.02	11.45	0.47	8.61	0.42	2.84	32.98
7	Supranational Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Infrastructure Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Private Equity Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Real Estate Properties	0.00	0.00	68.32	117.73	186.05	7.62	170.52	8.40	15.53	9.11
11	Unquoted Securities	0.00	0.00	3.19	6.07	9.26	0.38	8.18	0.40	1.08	13.20
12	Foreign Quoted Equities	0.00	0.00	0.00	32.65	32.65	1.34	24.10	1.19	8.55	35.48
13	Foreign Money Mkt. Securities	0.00	0.00	0.00	0.64	0.64	0.03	7.36	0.36	(6.72)	(91.30)
14	Cash & Other Assets	11.62	3.64	4.91	2.82	22.99	0.94	14.19	0.70	8.80	62.02
	TOTAL	1,293.33	175.30	519.57	454.64	2,442.84	100.00	2,029.77	100.00	413.07	20.35

It could be noted from Table 3.6 that though the Regulation on Investment of Pension Fund Assets allowed pension funds to be invested in Private Equity (PE) Funds, Infrastructure Financing (through Bonds & Funds Structure) and Supranational Bonds, there were no pension investments in these new asset classes in 2011. This was due to the fact that issuers/asset managers were yet to develop appropriate instruments/funds to satisfy the investment criteria stipulated in the Investment Regulation.

A detailed review of the investments and performance of the various Funds is provided in the following Sections.

3.5 Analysis of RSA 'Active' Funds

The value of pension fund assets of the RSA 'Active' Fund totaled N1.29 trillion as at 31 December 2011. This marked an increase of 31.93 percent from N980.29 billion recorded in 2010. Pension investments were mainly spread across six asset classes, namely, quoted equities (11.25 percent); Federal Government Securities (69.21 percent); State Government Bonds (5.10 percent); corporate debt securities (2 percent); and money market Instruments (10.91 percent). The portfolio of the RSA Active Fund as at 31 December 2011 is compared with the portfolio as at 31 December 2010 in Table 3.7.



Table 3.7: Portfolio of RSA Active Funds as at 31 December, 2011

ASSET CLASS	Portfolio Limit	2011		2010		Variance
	%	Amount	Weight	Amount	Weight	(N billion)
		(N billion)	(%)	(N billion)	(%)	
Quoted Equities	25	145.53	11.25	151.80	15.49	(6.27)
Federal Government Securities	80	895.13	69.21	544.65	55.56	350.48
State Government Bonds	20	65.98	5.10	42.67	4.35	23.31
Corporate Debt Securities	35	26.79	2.07	15.28	1.56	11.51
Money Market Instruments	35	141.10	10.91	214.22	21.85	(73.12)
Open/Close-End Funds	20	7.18	0.56	5.33	0.54	1.85
Supranational Bonds	20	0.00	0.00	0.00	0.00	0.00
Infrastructure Funds	5	0.00	0.00	0.00	0.00	0.00
Private Equity Funds	5	0.00	0.00	0.00	0.00	0.00
Cash & Other Assets		11.62	0.90	6.33	0.65	5.29
Total		1,293.33	100	980.29	100	313.04

3.5.1 Sources of Portfolio Growth of RSA "Active" Fund

The RSAActive Fund investment value of N1.29 trillion comprised funds under management with PFAs of N1.11 trillion and contributions invested by CBN of N182.94 billion. The sources of portfolio growth for the year are presented in Table 3.8.

Table 3.8: Sources of Net Portfolio Growth for the RSA Active Fund

		2011	2010	Variance
S/N	Sources of Portfolio Growth	Amount (N billion)	Amount (N billion)	Amount (N billion)
1.	New Inflow of Funds • Contributions	329.26	289.81	39.45
2.	Investment Income	83.40 3.37 (0.77)	50.80 2.62 3.77	32.60 0.75 (4.54)
3.	Net unrealized Gains/ (Losses) on quoted equities/equity funds	(36.35)	23.20	(59.55)
4.	Transfers to Retiree Fund	(43.92)	(33.91)	(10.01)
5	Charges/Fees	(21.95)	(15.64)	(6.31)
	Total	313.04	320.65	(7.61)





The major source of growth during the year was receipts of N329.26 billion into the Fund in respect of monthly pension contributions. Average monthly contribution during the year was N27.44 billion compared to a monthly average of N24.15 billion in 2010. This was due to the increased compliance by private sector employees and improved remittances into the RSAs of Federal Government employees as a result of additional submissions of employees' nominal rolls and other documentary evidence by federal MDAs.

Interests/coupons received during the year was N83.40 billion, which was 60 percent higher than the N50.80 billion received in 2010. This resulted primarily from the relatively higher yields on fixed income securities (especially FGN Securities). The dividends received on investments in ordinary shares amounted to N3.37 billion.

The net unrealized losses on investments in equities/equity funds amounted to N36.35 billion in 2011. This was a reflection of the poor performance of the stock market during the year, as the NSE-ASI recorded a negative return of 16.31 percent. The relatively high unrealized losses were mainly traceable to the exposure of PFAs to the banking sub-sector, which experienced the most significant decline amongst all sub-sectors in 2011. Although some Funds recorded modest gains from the sales of equities and bonds during the year, the net realized losses of N1.80 billion incurred by a few large-sized PFAs that restructured their portfolios offset the positive gains made.

Total transfers to RSA Retiree Funds amounted to N43.92 billion in 2011. This was higher than the N33.91 billion paid as benefits in 2011 due to increase in the number of retirees by about 55 percent. However, the total asset based fees charged/debited to the Fund including 5 percent VAT was 1.7 percent of the fund's Net Asset Value (NAV) of N1,293.33 billion in 2011.

3.5.2 Analysis of RSA "Active" Fund Portfolio

The weighted average return on investment (ROI) on the RSA 'Active' Fund was 3.74 percent. The performance was reflective of the economic/market conditions that characterized the year 2011. However, despite the relatively poor performance of the stock market, most PFAs recorded positive returns on their RSA Funds due to low exposures to equities. Thus, the level of exposure to equities played an important part in the performance of the Funds.

The yields on fixed income securities mainly accounted for the positive performances of most Funds. FGN Securities attracted higher yields from the third quarter of the year due to increased borrowings by the Federal Government to finance its budget deficits. The average yield on FGN Bonds and Treasury Bills significantly increased from 7 percent to 15 percent while interest rates on money market instruments also witnessed an upward trend from between 3 percent and 4 percent in the first half of the year to an average of 16 percent in the fourth quarter.

3.5.3 Asset Class Performance of RSA "Active" Fund

The value of quoted equity investments was N145.53 billion as at 31 December 2011, accounting for 11.25 percent of Fund value as against 19 percent in 2010. A breakdown of equity investments as shown in Table 3.9 indicated that the banking sub-sector accounted for the highest proportion of 34.85 percent as against 42.74 percent in 2010. The reduction in value was mainly due to net unrealized losses as well as the realized losses.





Table 3.9: Sectorial Breakdown of RSA "Active" Fund Investment in Equities

		2011		2010		
S/N	Sector	Amount (N Million)	%	Amount (N Million)	%	
1	Agriculture/Agro -allied	615.02	0.42	546.25	0.36	
2	Automobile & Tyre	64.31	0.04	118.28	0.08	
3	Banking	51,124.43	34.85	64880.1	42.74	
4	Breweries	28,692.60	19.56	17337.34	11.42	
5	Building Materials	17,034.53	11.61	13473.02	8.88	
6	Chemical & Paints	252.94	0.17	285.14	0.19	
7	Conglomerates	6,996.94	4.77	6901.11	4.55	
8	Construction	2,188.05	1.49	2825.59	1.86	
9	Food/beverages & Tobacco	20,645.59	14.08	21494.92	14.16	
10	Healthcare	1,877.82	1.28	2086.27	1.38	
11	Industrial/Do mestic Products	304.46	0.21	299.76	0.2	
12	Insurance	2,661.46	1.81	2987	1.97	
13	Leasing	78.04	0.05	187.06	0.12	
14	Petroleum (Marketing)	10,005.00	6.82	14010.06	9.23	
15	Printing & Publishing	1,199.71	0.82	294.75	0.19	
16	Real Estate	1,618.16	1.10	1998.82	1.32	
17	Foreign Listings	1,111.36	0.76	1326.98	0.87	
18	Air Services	204.50	0.14	353.94	0.23	
19	Oil and Maritime	0.18	0.0001	0.18	0	
20	Mortgage	3.10	0.0021	372.75	0.25	
	Total	146,678.18	100.00	151,779.32	100.00	

Table 3.9 also shows that equity investments in Oil & Maritime and Mortgage sub-sectors were almost non-existent at 0.0001 and 0.0021 percent respectively. This calls for the need for organizations in these sectors to get enlisted on the Nigeria Stock Exchange (NSE). There is need for investors to come up with investible instruments in these sectors for pension fund investments.

Investments in Federal Government Securities (bonds and treasury bills) were valued at N895.13 billion, and included contributions of Treasury-funded FGN employees of N182.93 billion in CBN awaiting transfers to their RSAs (but invested in treasury bills) as at 31 December 2011, accounting for 69.21 percent of Fund Value. This marked an increase of 22 percent in the value of FGN investments compared with the value in 2010. Most of the holdings were in FGN Bonds with term to maturity of below 3 years as most of the primary issues during the year were FGN Bond reopenings of 3 and 5 year bonds. Average yields per annum on investments in the 3-year, 5-year and 10-year FGN bonds were 11.15 percent, 12.17 percent and 14.54 percent respectively. However, yields were as high as 15.50 percent, 16.30 percent and 18.00 percent on the 3-year, 5-year and 10-year FGN bonds in the fourth quarter of 2011.

The value of investments in State Government Bonds was N65.98 billion representing 5 percent of RSAActive Fund Value as at 31 December 2011 as against 4.35 percent in 2010. The attraction for PFAs was the relatively high yields which averaged 13 percent as shown in Table 3.10. This could also be explained by the need for PFAs diversify their portfolios.





Table 3.10: RSA Active Fund Investments in State Government Bonds in 2011

State	Amount (N Billion)	Percentage of Total Investment in State Government Bonds
Lagos (Tranc he 1)	12.57	19.15
Lagos (Tranche 2)	4.86	7.41
Kwara	5.17	7.88
Niger (Tranche 1)	3.47	5.28
Niger (Tranche 2)	2.85	4.34
Imo	3.00	4.58
Bayelsa	9.84	14.99
Kaduna	2.45	3.74
Ebonyi	3.45	5.26
Delta	17.78	27.08
Ekiti	0.20	0.31
Total	65.64	100.00

A total of N26.79 billion (2.07 percent of Fund value) was invested in Corporate Debt Securities as at 31 December 2011 compared with N15.28 billion (1.56 percent) invested in 2010 (see Table 3.7). The profile of this investment is presented in Table 3.11.

Table 3.11: RSA 'Active' Fund Investments in Corporate Debt Securities in 2011

			Coupon	Total	Weight
S/N	Name of Issuer	(Years)	(%)	Investment (N Million)	(%)
1	Crusader Plc	5	12	397.50	1.48
2	Nigerian Aviation Handling Company PI c	5	13	1,126.37	4.20
3	GTB Plc	5	13.50	7,646.10	28.54
4	Dana Group Plc	7	MPR+7	155.92	0.58
5	Flour Mills Plc	5	12	575.13	2.15
6	Lafarge Wapco Plc	3	11.50	4,638.45	17.31
7	Tower Funding Plc	7	MPR+7/MPR+5 .25	439.91	1.64
8	UBA Plc	7	13/14	9,397.82	35.07
9	UPDC Plc	5	10	2,417.45	9.02
	Total			26,794.65	100.00



Investments in Money Market Instruments (MMI) dropped from N214.22 billion in 2010 to N141.10 billion in 2011 representing 34 percent decrease. The decrease was as a result of lower interest rates on MMI despite the consistent increase in the Monetary Policy Rate (MPR) by the CBN from 6 percent in February 2011 to 12 percent in December 2011. Average money market interest rates on pension fund portfolios was 9 percent in the first quarter of 2011, but gradually increased to 10 percent in the second and third quarters of the year and went higher to 13 percent in the fourth quarter. Interest rates on tenured deposits ended the year with rates between 15 percent and 16 percent for new investments.

Un-invested cash was N10.13 billion and represented new contributions awaiting deployment and matured investments awaiting re-investment as at 31 December 2011. Interest rate on uninvested cash balances averaged 1.50 percent in the first and second quarters but increased to 1.67 percent and 3 percent in the third and fourth quarters respectively.

3.6 RSA Retiree Fund

The value of pension fund assets of the RSA 'Retiree' Funds totaled N175.30 billion as at 31 December 2011. Pension investments were spread across six asset classes, namely, Federal Government Securities (67.79 percent); State Government Bonds (7.01 percent); corporate debt securities (2.82 percent); quoted equities (0.78 percent) and money market Instruments (19.21 percent) as shown in Table 3.12.

Table 3.12: Portfolio Mix of RSA Retiree Funds as at 31 December 2011

		Portfolio	2011		2010		Variance
S/N	Asset Class	Limit	Amount (N Billion)	Weight (%)	Amount (N Billion)	Weight (%)	Amount (N Billion)
1	Quoted Equities	10	1.37	0.78	0.11	0.09	1.26
2	Federal Government Securities	80	118.83	67.79	75.2	59.07	43.63
3	State Government Bonds	20	12.29	7.01	11.44	8.98	0.85
4	Corporate Debt Securities	35	4.94	2.82	2.91	2.29	2.03
5	Money Market Instruments	35	33.68	19.21	36.53	28.69	-2.85
6	Open/Close-End Funds	20	0.55	0.31	0.00	0.00	0.55
7	Supranational Bonds	20	0.00	0.00	0.00	0.00	0.00
8	Cash & Other Assets		3.64	2.08	1.12	0.88	2.52
	Total		175.3	100.00	127.31	100.00	47.99

3.6.1 Sources of Portfolio Growth of RSA Retiree Fund

The RSA Retiree Funds had a net growth of 37.70 percent increasing from N127.31 billion as at 31 December 2010 to N175.30 billion as at the same period in 2011 (see Table 3.7). The sources of net portfolio growth for RSA Retiree Fund are presented in Table 3.13.



Table 3.13: Sources of Net Portfolio Growth of RSA Retiree Fund

S/N	Sources of Portfolio Growth	2011	2010	Variance
		Amount (N Billion)	Amount (N Billion)	Amount (N Billion)
1.	New Inflow of Funds • Transfers of RSA balances/Accrued Rights	106.75	71.36	35.39
2.	Investment Income Interests/Coupons Net realized gains on Bonds & Equities Net Unrealized Losses on Equities	14.80 0.18 (0.29)	7.77 3.11 0.00	7.03 (2.93) (0.29)
3.	Retirement Benefits Paid	(72.12)	(43.27)	(28.85)
4.	Charges/Fees Income Based Fees	(1.33)	(0.89)	(0.44)
	Total	47.99	38.07	9.92

The transfers into the RSA Retiree Fund amounted to N106.75 billion during the year and comprised of accrued rights (benefits for past service up to June 2004) and RSA balances of contributors who retired during the year under review.

The high interest/coupon of N14.80 billion generated by the Fund was primarily due to higher yields and increased volume of fixed income securities especially during the third and fourth quarters of the year. As a result of the amendment of the Investment Regulation to allow up to 10 percent of the total value of the Retiree Fund in equities to enhance long term growth in the value of the Funds, some PFAs had in early 2011 introduced equity investments into their Retiree Fund portfolio. The RSA Retiree Fund recorded a weighted average rate of return of 9.32 percent in 2011.

3.6.2 Analysis of RSA "Retiree" Fund Portfolio

Investments in the ordinary shares of banks accounted for 60 percent of total equity investments, which was an increase from 35 percent recorded in the preceding year. Other significant equity investments were in the food & beverages (15.90 percent) and building materials (96.65 percent) sectors.

The Term to Maturity (TTM) profile of investments in FGN Bonds indicated that 59 percent of the investments were in bonds with term to maturity of below 5 years. The distribution of RSA Retiree Fund investments in State Government Bonds as a proportion of investments in the asset class was: Lagos 18 percent; Niger State 17 percent; Bayelsa 14 percent; Imo 14 percent; Delta 14 percent; Ebonyi 5 percent; and Kaduna 2 percent.

Investment in Corporate Debt Securities was 3 percent of the Retiree Fund value and indicated a growth of 70 percent in absolute value, compared to the amount as at 31 December 2010 (see Table 3.7). The summary of the holdings in Corporate Debt Securities is presented in Table 3.14.



Table 3.14: RSA 'Retiree' Fund Investments in Corporate Debt Securities as at 31 December 2011

		Tenor	Coupon	Total	Weight
S/N	Name of Issuer	(Years)	(%)	Investment	(%)
				(N Million)	
1	Crusader Plc	5	12	48.58	0.98
2	Nigerian Aviation Handling	5	13	413.39	8.38
	Company Plc				
3	GTB Plc	5	13.5	900.60	18.25
4	Dana Group Plc	7	MPR+7	51.67	1.05
5	Flour Mills Plc	5	12	100.76	2.04
6	Lafarge Wapco Plc	7	11.50	411.34	8.33
8	UBA Plc	7	14	1,919.51	38.89
9	UPDC Plc	5	10	778.15	15.77
10	UACN PIc	5	10	311.26	6.31
	Total			4,935.25	100.00

Investments in MMI remained at an average of 20 percent of total portfolio value for much of the year, but declined slightly in favour of FGN Securities in the fourth quarter of 2011. PFAs had largely maintained low levels of un-invested cash during the year to ensure optimum returns on pension funds under their management.

3.7 Approved Existing Schemes (AES)

The value of AES assets recorded a marginal growth of N1.75 billion from N517.81 billion in 2010 to N519.57 billion in 2011. The growth was the net effect of new contributions, for contributory AES; funds injected by the scheme sponsors for DB AES; and retirement benefit payments.

The pension fund investments were made in line with the Schemes' Internal Investment Guidelines and were spread across the following eight asset classes: Quoted Equities (20.45 percent); Federal Government Securities (42.65 percent); State Government Securities (4.69 percent); MMI (14.41 percent); Corporate Debt Securities (2.46 percent); and Domestic Real Estate Property (13.15 percent) as shown in Table 3.15.



Table 3.15: Portfolio of Approved Existing Schemes as at 31 December 2011

		2011		2010		Variance	
S/N	Asset Class	Amount (N Billion)	%	Amount (N Billion)	%	Amount (N Billion)	%
1	Quoted Equities	106.26	20.45	146.03	28.2	-39.77	-27.23
2	Fed. Government Securities	221.61	42.65	130.18	25.14	91.43	70.23
3	State Government Securities	24.37	4.69	9.23	1.78	15.14	164.03
4	Corporate Debt Securities	14.32	2.76	9.20	1.78	5.12	55.65
5	Open/Close Funds	1.69	0.33	1.45	0.28	0.24	16.55
6	Money Market Instruments	74.89	14.41	145.28	28.06	-70.39	-48.45
7	Unquoted Securities	3.19	0.61	3.39	0.65	-0.2	-5.9
8	Real Estate	68.32	13.15	68.45	13.22	-0.13	-0.19
9	Cash & Other Assets	4.91	0.95	4.60	0.89	0.31	6.74
	Total	519.57	100.00	517.81	100.00	1.75	100.00

The portfolio value of N519.57 billion comprised assets of 20 Schemes duly approved by the Commission and 60 Legacy Pension Fund Assets transferred into the CPS.

3.7.1 Sources of Portfolio Growth of AES Funds

The AES Funds had a net growth of N1.75 billion as shown in Table 3.16 below:

Table 3.16: Sources of Portfolio Growth for the AES Funds in 2011

S/N	Source of Portfolio Growth	2011 Amount (N Billion)	2010 Amount (N Billion)
1	New Contributions/Funds Injected by sponsors/Legacy Assets Transferred	23.28	95.39
2	Interest/Coupon Income	31.23	36.88
3	Dividend Income	3.93	3.43
4	Rental Income	0.34	0.56
5	Net Unrealized Gains/(losses)	-24.47	30.50
6	Other Investment Incomes	0.00	0.39
7	Net realized gains on disposal of assets	0.79	11.51
8	Payment of Retirement Benefits	-28.89	-16.27
9	Fees & Other Expenses	-4.46	-5.37
	Total	1.75	157.02



The major source of growth during the year was receipts of N23.28 billion injected into the Fund by Scheme sponsors to bridge funding deficits as well as new contributions made into the DC schemes. This was however significantly lower than the N95.39 billion received in 2010. Net realized gains amounted to N0.79 billion and represented actual gains recorded on disposal of equities and bonds during the period under review. The net unrealized losses on equity/equity funds were N24.47 billion about 50 percent of which was recorded by two of the major Schemes due to their high exposure to equity investments especially bank equities, which lost an average of 50 percent of their market values in 2011.

A total of N28.89 billion was paid as retirement benefits during the year, which was a significant increase of 78 percent over the N16.27 billion paid in 2010 due to huge en-bloc payments to retirees of one of the sponsoring organizations who decided to have early retirement.

Asset based fees of 0.84 percent of the NAV was paid during the year. This was made possible due to the ability of some of the large Funds to negotiate the management and custodial fees to amounts lower than the maximum allowed by the Regulation of Fees.

3.7.2 Analysis of AES Fund Portfolio

The weighted average return on investment (ROI) on the AES Fund was 2.29 percent. The relatively poor performance was due to the unstable financial market condition in 2011, especially the stock market, which recorded huge unrealized losses in equity investments. Some of the AES Funds had huge equity investments, which significantly impacted on their rates of return.

3.7.3 Asset Class Review of AES Fund

Equity investments accounted for 20.45 percent of the total AES Funds under management. This represented a decrease of 27 percent of portfolio value over the previous reporting period. It generated an unrealized loss of N24.47 billion and a realized gain of N788 million during the period under review.

Federal Government Securities (bonds and treasury bills) valued at N221.61 billion constituted 43 percent of the AES portfolio value and marked a 70 percent increase over the holding in 2010. The value of investments in State Government Bonds increased by 62 percent compared to 2010. The Lagos State Government Bond (Series I and II) had the highest placement of 34 percent. Details of investments in State Government Bonds by the AES Funds are provided in Table 3.17.

Table 3.17: AES Investment in State Government Bonds as at 31 December 2011

S/N	State	Coupon Rate (%)	Total Investment (N'b)	% of Total State Government Bonds
1	Lagos (Series I & II)	13.00/10.00	50.30	34
2	Bayelsa	13.75	15.13	17
3	Kaduna	12.50	6.25	2
	Total		71.68	



Domestic Money Market Investments declined by 48 percent compared with the value in 2010 due to low interest rates. However, placements in Open/Closed End Funds increased by 17 percent in 2011. Real estate investments accounted for 13 percent of AES portfolio value, but there was a marginal decrease of about 0.2 percent of the value compared to 2010 due to some cash conversions to pay-off some liabilities during the year. Un-invested cash in the various AES Funds represented new contributions/funds injected by scheme sponsors awaiting deployment, matured placements and provisions for payment of retirement benefits.

3.8 Closed Pension Fund Administrator (CPFA) Funds

The value of the CPFA Fund assets had a net growth of N50.27 billion (11 percent), increasing from N404.37 billion in 2010 to N454.64 billion in 2011. The major sources of growth of the CPFA Fund were new contributions or funds injected by sponsors to bridge funding gaps as well as investment incomes.

Table 3.18: CPFA Fund Assets as at 31 December 2011

	2011		2010)	Varian	Variance	
Asset Classes	Amount (N Billion)	%	Amount (N Billion)	%	Amount (N Billion)	%	
Domestic Ordinary Shares	66.66	14.66	60.09	14.86	6.57	10.93	
Foreign Ordinary Shares	32.65	7.18	24.1	5.96	8.55	35.48	
FGN Securities	127.36	28.01	79.17	19.58	48.19	60.87	
State Govt. Securities	7.17	1.58	6.26	1.55	0.91	14.54	
Corporate Debt Securities	28.84	6.34	23.34	5.77	5.5	23.56	
Domestic Money Market Securities	62.68	13.79	93.22	23.05	-30.54	-32.76	
Foreign Money Market Securities	0.64	0.14	7.36	1.82	-6.72	-91.3	
Open/Close-End Funds	2.02	0.44	1.83	0.45	0.19	10.38	
Real Estate Property	117.73	25.9	102.07	25.24	15.66	15.34	
Unquoted Securities	6.07	1.34	4.79	1.18	1.28	26.72	
Cash & other Assets	2.82	0.62	2.14	0.53	0.68	31.78	
Total	454.64	100.00	404.37	100.00	50.27	12.43	



3.8.1 Sources of Portfolio Growth

The breakdown of the net growth of N50.27 billion in CPFA funds for the year is provided in Table 3.19.

Table 3.19: Sources of Portfolio Growth for the CPFA Funds

Sources of Growth	2011		2010	
Sources of Growth	Amount (N Billion)	%	Amount (N Billion)	%
New Contributions/Fund Injection by the sponsor	40.43	80.43	39.21	63.23
Interests/Coupons Income*	20.54	40.86	17.42	28.09
Dividends Received	3.64	7.24	0.00	0.00
Rental Income	2.77	5.51	2.17	3.50
Net Unrealized Gains/(Losses)	(6.07)	(12.07)	16.28	26.25
Net Realized Gains	0.05	0.10	0.89	1.44
Other Investment incomes	9.66	19.22	4.88	7.87
Payment of Retirement Benefits	(18.07)	(35.95)	(16.22)	(26.16)
Fees & Other Expenses	(2.69)	(5.35)	(2.62)	(4.23)
Total	50.27	100.00	62.01	100.00

^{*} Interests/Coupons Income in 2010 was inclusive of dividends.

New contributions accounted for 80.43 percent of the net growth during the year under review as shown in the table. The rates of fund injection by the scheme sponsors were determined by the preceding year's actuarial valuation report of the schemes.

The total Interests/Coupons received for the period was N20.54 billion representing 41 percent growth over the preceding period while dividends received on investment in ordinary shares amounted to N3.64 billion. The net realized gains on sale of equities and bonds amounted to N56.14 million as against N890 million obtained in 2010. On the other hand, the net unrealized losses of N3.07 billion stemmed from the poor performance of the stock market in 2011 as well as the fact that some of the CPFAS with DB schemes had relatively high exposure to equities/equity funds.

Other investment income was N9.66 billion and consisted of foreign exchange gains, income from private equity investments and real estate revaluation surpluses that increased in the year as a result of the depreciation in Naira value and appreciation of the values of real estate properties.

The average rate of fees charged was 0.71 percent as opposed to the maximum allowable rate of 1.55 percent on NAV. It should however be noted that some CPFAs do not charge management fees (only custodial and regulatory fees), as their respective scheme sponsors bear the administrative expenses of the Schemes. The other charges to the Funds relate to provisions for audit expenses and taxes (VAT & Withholding Tax payable).



3.8.2 Analysis of CPFA Fund Portfolio

The weighted average Return on Investment (ROI) on the CPFA Funds was 10.28 percent in 2011, which was lower than 11.74 percent recorded in 2010. The performance was considered relatively good given the challenging financial market conditions that characterized the year. Although there was a general downturn in the stock market, most CPFA Funds were able to minimize the unrealized losses due to their minimal exposure to banking stocks that recorded the highest unrealized losses amongst all sub-sectors. Also, the CPFAs' investments in Alternative Assets, namely, Private Equity Funds and Real Estate Properties, effectively cushioned the impact of the huge unrealized losses in equity investments.

Equity investment in banking stocks was the highest amongst all sub-sectors, accounting for 32 percent of domestic equity investments and 5 percent of CPFAs total Portfolio value. Other investments were in breweries 27 percent; food & beverages 23 percent; conglomerates 9 percent; petroleum marketing 3 percent; and building materials 5 percent. The value of foreign equity investments accounted for 7 percent of total CPFA Funds.

Investments in Federal Government Securities (bonds and treasury bills) accounted for 28 percent of CPFAs total portfolio value. The 'Term to Maturity' profile of the investments in FGN Bonds and Treasury bills by CPFA Funds is presented in Table 3.20.

Table 3.20: Term to Maturity Profile of FGN Securities for CPFA Funds

S/N	Security	Term to Maturity	Proportional contribution (%)
1	Bonds	Below 3years	64.83
2		3years - 5years	7.69
3		Above 5years - 10yrs	12.10
4		Above 10years	9.49
5	Treasury Bills	364-day	4.88
6		182-Day	0.22
7		91-Day	0.79
	Total		100.00

As with other Funds, the distribution of FGN Securities indicate that most investments were in FGN Bonds with TTM of below 3 years (64.83 percent) as shown in Table 3.20.

Investments in State Government Bonds of N7.17 billion represented a 24 percent increase over the value of investments of N6.26 billion in 2010 and attracted an average coupon rate of 13.5 percent. The Lagos State Government Bond (Series I and II) had the highest investment as it accounted for 65 percent of total investment in State Government Bonds. Details of CPFAs' total investment in State Government Bonds as at 31 December 2011 are provided in Table 3.21.



Table 3.21: Profile of Investments in State Government Securities by CPFA Funds

S/N	State Government	Coupon (%)	Total Investment (N Billion)	% of Total State Government Bonds	
1	Lagos (Series I/II)	13.00/10.00	5.03	70.15	
2	Bayelsa	13.75	1.51	21.06	
3	Kaduna	12.50	0.63	8.79	
	Total		7.17	100.00	

Total value of investment in Corporate Debt Securities by CPFA Funds increased from N23.34 billion in 2010 to N28.84 billion in 2011 representing an increase of 24 percent. It should be noted that about 80 percent of these investments were made in foreign corporate bonds.

On the other hand, placements in domestic money market investments dropped by 33 percent compared to the value of money market placements in 2010. The reduction was as a result of the prevalent low interest rates in the money market for most part of the year.

The tenured deposit rates which averaged 9 percent in the first quarter, increased to 10 percent in the second and third quarters and further increased to 13 percent in the fourth quarter as banks competed for deposits to shore up their year-end balance sheet positions. Similarly, placements in foreign money market instruments dropped by 91.3 percent in 2011 due to the decision by a CPFA with major holdings in such assets to expunge this asset class from its internal investment guidelines.

The value of real estate investments increased from N102.07 billion in 2010 to N117.73 billion in 2011 representing an increase of 15 percent. The increase was attributable to the capitalization of expenses in respect of ongoing development projects. The cash balances maintained during the year were mostly to provide for the liquidity requirements of the Funds in meeting monthly pension obligations to their retirees.

3.9 Processing Retirement/Terminal Benefits

3.9.1 Retirement on Programmed Withdrawal

The total number of retirees on Programmed Withdrawal (PW) increased by 13,183 as it moved from 27,871 in 2010 to 40,054 in 2011, which is an increase of 47.30 percent. As shown in Table 3.22, the FGN retirees accounted for 91.81 percent of this figure while the States and the private sector accounted for 1.67 percent and 6.52 percent respectively.

Table 3.23: Payment of Retirement Benefits through Programmed Withdrawal

Sector		Monthly Pr drawal (N	rogrammed Billion)	Lumpsum (N Billion)			
360101	2010 2011 (%)		Difference (%)	2010	2011	Difference (%)	
FGN	0.89	1.27	42.7	78.14	112.66	44.18	
State	0.00	0.02	100	0.00	1.91	100.00	
Private	0.04	0.07	75	1.83	3.44	87.98	
Total	0.93	1.36	46.24	79.97	118.01	47.56	



3.9.2 Retirement by Annuity

The Commission received and approved a total of 632 requests for annuity retirement plan in 2011. This brought the total number of approvals for the annuity retirement plan to 706 as at December 2011. A total lumpsum of N2.14 billion was withdrawn by these retirees while a total premium of N3.06 billion was paid to insurance companies for the payment of their monthly annuity, which stood at a monthly average of N25.54 million as at 31 December 2011.

Table 3.24: Retirement by Annuity

	2010					2011					
Sector	No.	%	Average Monthly Annuity (N m)	Lumpsum (N m)	Premium (N m)	No.	%	Average Monthly Annuity (N m)	Lumpsum (N m)	Premium (N m)	
FGN	71	95.95	2.47	267.73	272.08	516	81.65	20.81	1750.24	2,288.95	
State	0	0.00	0.00	0.00	0.00	87	13.77	3.53	383.52	383.52	
Private	3	4.05	0.07	0.81	8.56	29	4.59	1.21	65.77	108.63	
Total	74	100	2.54	268.54	280.64	632	100.01	25.55	2,199.53	2,781.1	

Tables 3.22 and 3.24 have shown that out of the 40,760 retirees, 98.27 percent were on PW while the remaining were receiving their pensions under life annuity plan. Out of the total number of retirees under the annuity plan, about 73 percent were male.

3.9.3 Payment of Death Benefits

Applications for the claim of death benefits of 3,805 deceased employees of the FGN, State and private organisations were approved as at December 2011. The deceased FGN employees accounted for 86.54 percent of the total applications approved, the deceased State employees had 0.45 percent and those from the private sector had 13.01 percent. A total of N7.93 billion was paid to the families of the deceased out of which 89.56 percent was paid to the families of deceased FGN employees, while the families of the deceased State and private sector employees were paid 0.87 percent and 9.57 percent of the amount respectively.

3.9.4 Withdrawal of 25 Percent of RSA Balances

This represents withdrawals of 25 per cent of RSA balances made by persons who disengaged/retired before the age of 50 years in accordance with the terms and conditions of their respective employments and who, having stayed for at least six months after retirement, could not secure another employment. During the year under review, approvals were granted for payment of a total of N1.82 billion to 11,883 RSA holders of which 522 were from the FGN and 11,349 from the private sector and only 12 from the States.

An analysis of these requests showed that private sector employees accounted for N1.64 billion or 96 percent of the total requests for 25 percent while the FGN employees that were out of job accounted for N172.43 million or 4 percent as shown in Table 3.25.



Table 3.25: Withdrawal of 25 Percent of RSA Balance for the year 2011

		Reti	Total Requests for		
Sector	Male Female To		Total	% of Total	25% Appro ved (N Million)
FGN	395	127	522	4.39	172.43
State	8	4	12	0.06	5.76
Private	9,937	1,412	11,349	95.51	1,640.09
Total	10,340	1,543	11,883	100.00	1,818.28

It should however be noted that many of the requests came from junior employees of construction companies whose jobs were usually terminated at the end of a contract.

3.9.5 En-bloc Payments

During the year under review, approvals were granted for en bloc payment of RSA balance totaling N1.82 billion to 9,957 RSA holders comprising 1,873 FGN, 21 State employees and 8,063 private sector retirees. These were cases of retirees that had RSA balances of not more than N500,000 each.

3.9.6 Retirement on Medical Grounds

The Commission approved payments of N17.02 million and N1.99 million being lumpsum and monthly pensions respectively to 20 retirees who retired on medical grounds from both the public and private sectors. The private sector organizations had 81.36 percent of those that retired on medical grounds during the year. This was followed by FGN with 16.95 percent while the State Governments had 1.69 percent. The retirement benefits were approved based on the advice of suitably qualified physician and a properly constituted Medical Board that certified that the employees were no longer mentally or physically capable of carrying out their official functions.

3.9.7 Implementation of Group Life Insurance Policy (GLIP)

The Group Life Insurance Policy was implemented by various Government Agencies in line with Section 9(3) of PRA 2004. The Office of the Head of Civil Service of the Federation (OHSF) had submitted its Policy Certificate for Group Life Assurance maintained for the FGN employees as well as 143 Policy Certificates in respect of Ministries/Departments and Agencies (MDAs) of the Federal Government for 2010. The certificates for 2011 were however being awaited from the OHSF.

In response to the Commission's advertisements and notices, Certificates of Compliance for the implementation of Group Life Insurance were received from 632 employers covering a total of 940,353 employees as at 31 December 2011 as highlighted in Table 3.26.



Table 3.26: Submission of Certificates of Compliance for the Implementation of Group Life Insurance Policy

S/No	Sector	No of Subm issions
1	Government Agencies	161
2	Financial Institutions	140
3	Educational Institutions	13
4	Construction	32
5	Pension Operators	28
6	Oil and Gas	37
7	Manufacturing	52
8	Hospitality	26
9	Commercial	122
10	Others	51
	Total	632

3.9.8 Missing Person

There was no report of any case of missing employee from any MDA/employer during the year under review.

3.9.9 Implementation of Minimum Pension Guarantee

The Commission had commenced development of the Framework that would set out the criteria, eligibility and funding requirement for the successful implementation of the Minimum Pension Guarantee (MPG).



PART COLOR

PENSION OPERATORS
STATISTICS





PART 4: PENSION OPERATORS STATISTICS

4.1 RSA Registration by PFA

The total number of RSA holders by PFAs as at 31 December, 2011 is presented in Table 4.1. The table indicates that IBTC PFA accounted for the highest RSA registrations with 20.24 percent of total registration. Trustfund Pensions Plc had the second largest number of RSA registrations and closely followed by Sigma Pensions Limited.

Table 4.1 RSA Registrations by PFA

S/No	PFA	Total RSA Registration	Weight (%)
1	AIICO Pension Managers	151,807	3.08
2	Amana Capital Pension Limited	29,731	0.6
3	Apt Pension Fund Managers Limited	66,864	1.36
4	ARM Pension Managers Limited	451,349	9.16
5	Citi Trust Pension Managers Limited	5,009	0.1
6	Crib Pension Fund Managers Limited	33,315	0.68
7	Crusader Sterling Pension Limited	203,841	4.14
8	Evergreen Pensions Limited	14,200	0.29
9	Fidelity Pension Managers Limited	66,182	1.34
10	First Guarantee Pension Limited	168,143	3.41
11	Future Unity Glanvills Pensions Limited	62,764	1.27
12	IEI-Anchor Pension Managers Limited	55,480	1.13
13	IGI Pension Fund Managers Limited	3,006	0.06
14	Leadway Pensure PFA Limited	319,323	6.48
15	Legacy Pension Managers Limited	198,822	4.04
16	NLPC Pension Fund Administrators Ltd.	167,424	3.4
17	Oak Pensions Limited	76,851	1.56
18	Penman Pensions Limited	35,818	0.73
19	Pension Alliance Limited	309,003	6.27
20	Premium Pension PFA	420,927	8.54
21	Royal Trust Pension Fund Administrator Limited	5,238	0.11
22	Sigma Pensions Limited	542,430	11.01
23	Stanbic IBTC Pension Managers Limited	997,079	20.24
24	Trustfund Pensions PLC	542,610	11.01
	Total	4,927,216	100.00

A further classification of RSA registrations by the rank of PFAs shows that the top 3 PFAs accounted for 42.26 percent of total RSA registrations as revealed in Table 4.2. From the table, while the top 5 PFAs accounted for 59.96 percent, the top 10 PFAs made a proportional contribution of 84.30 percent of total RSA registrations.



Table 4.2: RSA Registrations by Rank of PFAs

Rank	Total	Percentage of Total
Top 3	2,082,119	42.26
Top 5	2,954,395	59.96
Top 10	4,153,527	84.3
Bottom 3	13,253	0.27
Bottom 5	57,184	1.16
Bottom 10	310,743	6.31

In addition, the table further shows that the bottom 3 PFAs accounted for 0.27 percent of total RSA registration. Also, the bottom 5 and 10 PFAs accounted for 1.16 and 6.31 percent respectively during the review period.

4.2 Pension Fund Assets under Management of PFAs

A review of the RSA Active and Retiree Funds assets under management shows that one PFA accounted for 37.33 percent of the pension assets as at 31 December, 2011 as shown in Table 4.3. A further analysis shows that the top 3 PFAs had 54.87 percent of pension fund assets under their management. Table 4.4 further shows that ten PFAs accounted for 91.91 percent of total pension fund assets under management.

The foregoing implies that the remaining 13 PFAs accounted for 8.09 percent of total pension fund assets under management while only 0.12 percent of the pension fund assets were under the management of the bottom 3 PFAs. Similarly, the bottom 5 and 10 PFAs had 0.41 and 2.62 percent of total pension assets under their management respectively.



Table 4.3: Pension Fund Assets under the Management of PFAs

0/N	Danaian Frank Administrator (DEA)	RSA	RETIREE	Total	% of
S/N	Pension Fund Administrator (PFA)	N' Million)	(N' Million)	(N' Million)	Total
1	AIICO Pension Managers	15,004.05	1,066.11	16,070.16	1.25
2	Amana Capital Pension Limited	1,123.23	243.47	1,366.70	0.11
3	Apt Pension Fund Managers Limited	7,409.49	175.40	7,584.89	0.59
4	ARM Pension Managers Limited	98,660.71	12,561.24	111,221.95	8.65
5	City Trust Pension Fund Managers	39.70	-	39.70	0.003
6	Crib Pension Fund Managers Limited	3,856.55	172.98	4,029.53	0.31
7	Crusader Sterling Pension Limited	44,397.54	3,944.69	48,342.23	3.76
8	Evergreen Pensions Limited	1,253.93	50.63	1,304.56	0.10
9	Fidelity Pension Managers Limited	8,138.91	86.74	8,225.65	0.64
10	First Guarantee Pension Limited	38,707.74	9,135.55	47,843.29	3.72
11	Future Unity Glanvills Pensions Limited	9,655.51	353.37	10,008.88	0.78
12	IEI-Anchor Pension Managers Limited	3,890.37	180.67	4,071.04	0.32
13	IGI Pension Fund Managers Limited	145.33	0.00	145.33	0.01
14	Leadway Pensure PFA Limited	59,805.33	10,547.40	70,352.73	5.47
15	Legacy Pension Managers Limited	39,456.75	4,767.95	44,224.70	3.44
16	NLPC Pension Fund Administrators Ltd.	42,283.91	7,856.28	50,140.19	3.9
17	Oak Pensions Limited	4,389.69	113.51	4,503.20	0.35
18	Penman Pensions Limited	2,130.60	171.46	2,302.06	0.18
19	Pension Alliance Limited	60,542.60	7,086.07	67,628.67	5.26
20	Premium Pension	88,887.76	25,309.07	114,196.83	8.88
21	Royal Trust Pension Fund Administrator Ltd	141.7	0.00	141.70	0.01
22	Sigma Pensions Limited	79,548.42	19,444.05	98,992.47	7.70
23	Stanbic IBTC Pension Managers Limited	420,985.95	59,015.54	480,001.49	37.33
24	Trustfund Pensions PLC	79,976.87	13,019.35	92,996.22	7.23
	TOTAL	1,110,392.94	175,301.53	1,285,694.47	100

Table 4.4: Pension Fund Assets by Rank of PFAs

Rank	Total (N' Billion)	% of Total
Top 3	705.42	54.87
Top 5	897.41	69.8
Top 10	1,181.72	91.91
Bottom 3	1.59	0.12
Bottom 5	5.26	0.41
Bottom 10	33.67	2.62

The ranking of PFAs by the quantum of RSA Active Fund Assets shows that the top 3 PFAs accounted for more than half of the total assets under management at 54.80 percent as shown in Table 4.5.





Table 4.5: RSA Active Fund Assets by Rank of PFAs

Rank of PFA	Total (N Billion)	% of Total
Top 3	608.53	54. 8
Top 5	768.06	69.17
Top 10	1,014.55	91.37
Bottom 3	1.41	0.13
Bottom 5	4.79	0.43
Bottom 10	32.48	2.93

The table also shows that the top ten PFAs had 91.37 percent of total assets under their management. However, the bottom 3, 5 and 10 PFAs had 0.13, 0.43 and 2.93 percent of the pension assets under their management respectively.

In terms of RSA Retiree Funds, Table 4.6 shows that the top 3 PFAs accounted for 59.19 percent of the RSA Retiree Fund Assets. The top 5 and 10 PFAs accounted for 73.79 and 96.26 percent of the assets respectively.

Table 4.6: Retiree Fund by Rank of PFAs

Rank of PFA	Total (N Billion)	% of Total
Тор 3	103.77	59.19
Top 5	129.35	73.79
Top 10	168.74	96.26
Bottom 3	0.25	0.14
Bottom 5	0.6	0.34
Bottom 10	2.61	1.49

The ranking of PFAs by size of RSA Retiree Fund shows that the distributions of RSA Retiree assets are skewed in favour of the top 10 PFAs as the bottom 3 PFAs could only account for an infinitesimal 0.14 percent of RSA Retiree Fund assets. The bottom 10 PFAs shows a dismal performance at 1.49 percent of total RSA Retiree Fund assets as shown in Table 4.6.

4.3 Pension Fund Contributions by PFA

A review of Pension Fund contributions received by PFAs shows that one PFA accounted for 34.54 percent of total pension fund contributions as at 31 December, 2011. Apart from Premium Pensions that had 10.82 percent of pension fund contributions, no other PFA had up to 10 percent of pension contributions as shown in Table 4.7.

The table further shows that two PFAs, Amana Capital Pension Limited and Royal Trust Pension Fund Administrator Limited had the least contributions with 0.08 and 0.01 percent respectively.



Table 4.7: Pension Fund Contribution by PFA

S/N	PFA	Total (N Million)	% of Total
1	AIICO Pension Managers	14,628.51	1.26
2	Amana Capital Pension Limited	1060.35	0.09
3	APT Pension Fund Managers Limited	4,216.28	0.36
4	ARM Pension Managers Limited	99,091.98	8.56
5	City Trust Pension Fund Managers	39.70	0.003
6	Crib Pension Fund Managers Limited	3,997.33	0.35
7	Crusader Sterling Pension limited	46,794.87	4.04
8	Evergreen Pensions Limited	1,517.09	0.13
9	Fidelity Pension Managers Limited	6,456.40	0.56
10	First Guarantee Pension Limited	54,138.29	4.68
11	Future Glanvills Pensions Limited	8,854.83	0.76
12	IEI-Anchor Pension Managers Limited	4,149.31	0.36
13	IGI Pension Fund Managers Limited	25.80	0.002
14	Leadway Pensure PFA Limited	57,247.85	4.94
15	Legacy Pension Managers Limited	43,613.23	3.77
16	NLPC Pension Fund Administrators Limited	39,054.48	3.37
17	OAK Pensions Limited	4,803.07	0.41
18	Penman Pensions Limited	2,413.97	0.21
19	Pension Alliance Limited	70,909.91	6.12
20	Premium Pension	125,286.30	10.82
21	Royal Trust Pension Fund Administrator Limited	106.52	0.01
22	Sigma Vaughn Sterling Pension Limited	77,565.30	6.70
23	Stanbic IBTC Pension Managers Limited	399,873.54	34.54
24	Trustfund Pension Plc	91,978.59	7.94
	Total	1,157,822.97	100.00

A further classification of Table 4.7 by PFAs market share of pension contributions shows that the top 3 PFAs accounted for 53.93 percent of pension fund contributions while the bottom 3 PFAs had 0.22 percent of the total contributions as shown in Table 4.8.

Table 4.8: Pension Fund Contribution by Rank of PFA

Rank of PFA	N' Billion)	% of Total
Top 3	624.25	53.93
Top 5	793.72	68.57
Top 10	1,066.85	92.13
Bottom 3	2.5	0.22
Bottom 5	8.92	0.77
Bottom 10	37.4	3.23





PART E OUTLOOK OF THE PENSION INDUSTRY





5.1 Regulatory and Supervisory Outlook of the Pension Industry for 2012

The Commission's work plan for 2012 has been set against a projected positive macro-economic environment in the country. Against this scenario, PenCom has focused on delivering its statutory mandate and further expanding the implementation of the CPS in Nigeria especially in the States and Local Governments. For the coming year, the regulatory and supervisory outlook would focus on the following areas: strengthening operations in the Pension Industry through mergers/acquisitions, introduction of a robust risk based supervisory framework and improved automation of the rendition of returns by operators; enhancing customer service delivery in the pension industry; enhancing safety and fair returns of pension fund investments; and improvement in the internal processes of the Commission.

The requirement for PFAs to raise their minimum share capital from N150 million to N1 billion would lead to injection of fresh capital and facilitate the consolidation of the Pension Industry. In addition, the improved financial positions of the PFAs would promote competition in the industry as well as improvements in service delivery and products development. Similarly, it would promote deployment of adequate IT infrastructure and increased presence nationwide.

The development and implementation of the robust risk based supervisory framework would improve the effectiveness of on/off site supervision of the Pension Industry. The implementation of the Risk Management and Analysis System (RMAS) application in the second quarter of 2012 would enhance off site supervision through timely and accurate rendition of returns by operators. PenCom would continue monitoring the implementation of these initiatives to ensure the health of the industry.

PenCom is working towards concluding the Framework and relevant Guidelines for opening RSA Transfer window. This is expected to be concluded by the third quarter of 2012 to allow contributors to move their RSAs among PFAs. This initiative is expected to lead to general improvements in the overall efficiency in the services provided by Pension Fund Operators. However, as a prerequisite to the opening of the RSA transfer window, PenCom had commenced the implementation of the Automated Fingerprint Identification System (AFIS) to uniquely identify contributors and eliminate multiple registrations. This is expected to be concluded by the second quarter of 2012.

To assess the level of service delivery in the Pension Industry, PenCom would conduct a customer satisfaction survey to gauge the level of satisfaction of contributors with the CPS. This would serve as a basis for any review of the strategy to improve service delivery in the Pension Industry.

As part of the initiative to address the dearth of investible instruments to effectively diversify pension fund portfolios as well as develop dynamic Regulation on Investment of Pension Fund Assets, PenCom would introduce multi-funds in 2012. The multi-funds structure would give contributors the opportunity to select the fund in which their pension assets would be invested based on their risk appetite. In addition, the Regulation would focus on investments in asset classes that would deepen the Nigerian financial market and contribute to the development of vital infrastructure in line with the Federal Government's Transformation Agenda.

The Framework for the implementation of the Minimum Pension Guarantee (MPG) would be concluded in 2012. The MPG is expected to support retirees that have very low monthly pensions as well as those that may exhaust their RSA balances in their lifetimes.





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PenCom would maintain its strategy in ensuring compliance with the provisions of the PRA 2004 through public enlightenment campaigns in conjunction with Pension Operators, on-site inspection of employers, mailing of letters for compliance and collaboration with regulatory and professional bodies and the application of the sanctions regime. PenCom would also appoint Recovery Agents to recover all outstanding contributions including interest penalties from all defaulting employers. The amounts recovered would be credited to the RSAs of the affected employees.

The implementation of the Oracle e-business suite would be concluded in 2012 to enhance the internal processes of the Commission. Furthermore, PenCom would conclude all IT projects and continue the implementation of other initiatives outlined in its Corporate Strategy Plan (2010 – 2013).

PART SINGLES STATEMENT OF ACCOUNTS





STATEMENT OF ACCOUNTS

AS AT 31 DECEMBER, 2011

6.1 AUDITOR'S REPORT



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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NATIONAL PENSION COMMISSION

Report on the financial statements

We have audited the accompanying financial statements of **National Pension Commission** set out on pages 2 to 14 which comprise the balance sheet as at 31 December 2011, the income statement, statement of cash flows, statement of value added for the year then ended, summary of significant accounting policies, financial summary and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Section 25 of the Pension Reform Act 2004 and the Commission's rules and regulations, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.



Alandola Williams Deloite

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **National Pension Commission** as at 31 December 2011, and of its financial performance and its cash flows for the year then ended; the Commission has kept proper books of account which are in agreement with the balance sheet and income statement, in the manner required by Section 25 of the Pension Reform Act, 2004 and the Commission's rules and regulations, and in accordance with the Statement of Accounting Standards issued by the Financial Reporting Council of Nigeria.

Chartered Accountants

Abuja, Nigeria 15 May 2012





STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2011

6.2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted in the preparation of these financial statements:

(a) Basis of accounting

The accounts are prepared under the historical cost convention.

(b) Income recognition

Budgetary receipts

Receipts from Federal Government are accounted for on modified cash basis.

Investment income

Investment income on Government Securities and short term placements are recognized on accrual basis.

Fees and commissions

Asset based fees

Asset based fees are charged by the Commission on Pension Fund Assets in line with the firm's regulation on fee structure, as amended from time to time.

(c) Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

(d) Depreciation

Depreciation is provided to write off the cost of fixed assets in equal annual installments over their estimated useful lives at the following annual rates:

		%
Motor vehicles	-	25
Furniture and fittings	-	15
Computer equipment	-	33.33
Office machines	-	25
Plant and machinery	_	20

(e) Stocks

Stocks are valued at the lower of cost and net realizable value.



(f) Foreign exchange transactions

Transactions in foreign currencies are recorded in Naira at the rates of exchange ruling at the time they arise.

Assets and liabilities existing in foreign currencies are converted to Naira at the foreign exchange market rates ruling at the balance sheet date. Gains or losses arising on translation are included in the revenue and expenditure account.

(g) Pension cost

Arrangement for retirement benefits for members of staff is based on the provisions of the Pension Reform Act, 2004. The Commission and employees contribute between 22.5% and 37.5% of basic, housing and transportation to the scheme. Membership of the scheme is automatic upon resumption of duties with the Commission.

Provision for staff retirement benefits are computed and charged to income and expenditure account.

(h) Provision

Provisions are recognized when the Commission has a present obligation, whether legal or constructive as a result of a past event for which it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.



STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 DECEMBER 2011

6.3STATEMENT OF INCOME AND EXPENDITURE

	Note	2011 N'000	2010 N'000
Income		14 000	14 000
Budgetary receipts	2	339,904	315,720
Fees and commissions	3	3,871,276	3,167,819
Investment income	4	3,646	1,313
Other income	5	20,607	44,363
Expenditure		4,235,433	3,529,215
Administrative expenses		(4,095,501)	(2,497,237)
Depreciation of fixed assets		(136,037)	(267,399)
Surplus/(deficit) for the year	14	3,895	66,712

The accounting policies on pages 2 and 3 and other explanatory notes on pages 7 to 12 form an integral part of these financial statements.



BALANCE SHEET

AS AT 31 DECEMBER 2011

6.4STATEMENT OF ASSETS AND LIABILITIES

	Note	2011	2010
Assets employed		N'000	N'000
Fixed assets	8	1,724,271	1,379,130
Current assets			
Stocks	9	21,024	20,447
Debtors and prepayments	10	1,712,717	919,359
Bank and cash	11	368,899	154,259
		2,102,640	1,094,065
Current liabilities			
Amounts falling due within one year			
Creditors	12	434,794	217,929
Net current assets		1,667,846	876,136
Total assets less current liabilities		2,255,266	2,255,266
Financed by:			
General reserve fund	14	394,212	390,317
Capital grant	15	2,997,905	1,864,949
		3,392,117	2,255,266
Contingent liabilities			
Contingent liabilities and other obligations on behalf of Federal Government of			
Nigeria and its employees	16	197,494,662	169,607,381

The financial statements on pages 2 to 1 4 were approved by the Board of the Commission on 15 MAY 2011 and signed on its behalf by:

The accounting policies on pages 2 and 3 and other explanatory notes on pages 7 to 12 form an integral part of these financial statements.



STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2011

6.5 STATEMENT OF CASH FLOWS

Cash flows from operating activities	Note	2011 N'000	2010 N'000
Cash received from activities		3,658,113	3,160,635
Cash paid to suppliers and employees		(4,095,501)	(3,109,073)
Net cash provided by operating activities	17	(437,388)	51,562
Cash flows from investing activities			
Purchase of fixed assets		(481,178)	(251,160)
Proceeds on disposal of fixed assets		250	1,554
Net cash used in investing activities		(480,928)	(249,606)
Cash flows from financing activities			
Capital grants received		1,132,956	228,773
Net cash provided by financing activities		1,132,956	228,733
Net increase in cash and short term funds		214,640	30,729
Cash and cash equivalent, beginning of the year		154,259	123,530
Cash and cash equivalent, end of the year	18	368,899	154,259



FOR THE YEAR ENDED 31 DECEMBER 2011

6.6 NOTES TO THE FINANCIAL STATEMENTS

1. The Commission

(a) Legal form

The National Pension Commission was established by the Pension Reform Act, 2004 and commenced operations in September 2004.

(b) Principal activities

The principal activities are to regulate, supervise and ensure the effective administration of pension matters in Nigeria.

2. Budgetary receipt

This represents annual grant from Government for operational expenses to supplement the internally generated revenue.

3.	Fees and Commissions	2011	2010 N'000
	Supervisory fees and levies	3,871,276	3,167,819
		3,871,276	3,167,819
	The Commission charged 0.25% (2009:0.25%) on Retirement Savings Account (RSA) and 0.15% (2009:0.15%) on Closed Pension Fund Administrators (CPFA) and Approved Existing Schemes (AES).		
4.	Investment Income Interest on bank placements	1,313	1,313
5.	Other income Penalty/application fee Licence fee Profit on disposal of fixed assets Provision no longer required Conference fee Insurance income Exchange difference Miscellaneous income	13,201 - 250 775 - 6,380 - 1 -	5,300 5,000 1,554 410 15,000 14,585 531 1,691 292 44,363





FOR THE YEAR ENDED 31 DECEMBER 2011

6 Surplus for the year

This is stated after charging:

Depreciation	136,037	267,399
Author's resources	10,800	8,000
Interest income	3,646	1,313
Profit on disposal of fixed assets	250	311

7 Taxation

No provision is made in these financial statements for taxation. The Directors are of the view that no liability will crystallise in future on account of Corporate taxes.

8	Fixed assets	Land & buildings	Motor vehicle	Office equipm	Computer Equip. &	Plant & machinery	Furniture & fittings	Assets in progress	Total
		buildings	Vernoie	ent	software	maominory	a nungo	progress	
	Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
	At 1 January Additions	1,108,663	81,130	65,537 6,930	744,279 52,538	43,570 2,656	154,664 46,793	158,552 372,261	2,356,395 481,178
	Disposals	_	(5,663)	-	-	_,000	-	-	(5,663)
	Balance, end of year	1,108,663	75,467	72,467	796,817	46,226	201,457	530,813	2,831,910
	Accumulated depreciation								
	At 1 January	85,331	41,561	58,948	685,592	25,140	80,693	-	977,265
	Charge for the year Disposal	22,173	14,913 (5,663)	4,175	61,494	6,946	26,336	-	136,037 (5,663)
	Balance, end of year	107,504	50,811	63,123	747,086	32,086	107,029	-	1,107,639
	Net book value								
	At 31 December, 2011	1,001,159	24,656	9,344	49,731	14,140	94,428	530,813	1,724,271
	At 31 December, 2010	1,023,332	39,569	6,589	58,687	18,430	73,971	158,552	1,379,130
							2010		2009
9	Stocks Stock of stationery						21,024		N'000 20,447
10	Debtors and prepayments								
	Asset based fee debtors						368,801		400,811
	Staff debtors (note 10.1)						422,750		393,434
	Prepayments						20,043		20,277
	Asset on leases (note 10.2)						332,928		-
	Deposit for assets (10.3)						532,396		- 00 750
	Subvention receivable Other debtors						35,799		86,752 18,085
	Other debtors						1,712,717		919,359
							- , ,		0.0,000



FOR THE YEAR ENDED 31 DECEMBER 2010

10.1 Staff debtors

This represents staff and Executive members prepaid allowances covering periods after 31 December 2011

	December 2011		
		2011	2010
		N'000	N'000
40.0	Asset on lease	11 000	11 000
10.2			
	At 1 January	-	-
	Additions	339,500	-
	Charge for the year	(6,572)	_
	At 31 December	332,928	
	During the year, the Commission secured properties under an		
	operating lease agreement for the Zonal offices to be opened in		
	the six geo-political zones of Nigeria – Awka, Calabar, Gombe,		
	Ilorin, Kano and Lagos. The operating lease term is for a five year		
	period and payments were made five years in advance covering		
	the tenure of the lease for each of the property		
10.3	Deposit for assets		
	This represents part payments for the Oracle E-business suite		
	project yet to be completed as at the year end and prepayment		
	made for furniture and motor vehicles for the Zonal offices to be		
	opened.		
11	Bank and cash		
	Guaranty Trust Bank Plc	108,758	137,058
	Zenith International Bank Plc	14,182	15,190
	Central Bank of Nigeria	3,994	11
	First Bank of Nigeria Plc	238,962	-
	Cash at hand	3,003	2,000

368,899

154,259



FOR THE YEAR ENDED 31 DECEMBER 2011

		2011	2010
12	Creditors	N'000	N'000
	Other credit balances Severance benefits (note 12.1) Dedicated funds (note 12.2) Creditors and accruals Deferred income	36,155 312,818 1,343 82,993 1,485 434,794	30,519 170,667 32 16,631 80 217,929
12.1	Severance benefits represent provision made for the severance benefits of the Executive board Members of the Commission in line with Board resolution.		
12.2	Dedicated funds represent funds received from Federal Government of Nigeria to cater for expenses associated with the issuance of bond and terminal benefits		
13	Pension Cost		
	Balance, beginning of year Charge to income and expenditure Payments in the year Balance, end of year	242,969 242,969 (242,969)	203,143 203,143 (203,143)
14	General reserve fund Balance, beginning of year Surplus for the year	390,317 3,895	323,605 6,712
	Balance, end of year	394,212	390,317



FOR THE YEAR ENDED 31 DECEMBER 2011

		2011	2011
		N'000	N'000
15	Capital grant		
	Balance, beginning of year	1,864,949	1,636,176
	Receipts during the year	1,132,956	228,773
	Balance, end of year	2,997,905	1,864,949
16	This represents funds released to the Commission to augment cost of acquisition of land and buildings and acquisition and implementation of information and communication technology. Contingent assets/liabilities (fiduciary funds)		
	The Commission holds the following funds on behalf of the Federal Government of Nigeria and its employees.		
	Contributory Fund Account	185,339,878	165,387,776
	Retirement Benefits Bond Redemption Fund	12,142,280	4,157,651
	Others	12,504	61,954
		197,494,662	169,607,381

Contributory Fund Account represents Federal Government of Nigeria employees' and employers' pension contributions and held in CBN in trust for the beneficiaries by the Commission pending determination of amount due to individual employees of the Federal Government and onward transfer to Pension Fund Administrators chosen by these individuals.

The Retirement Benefits Bond Redemption Fund was created in compliance with the provision of Section 29 of the Pension Reform Act 2004. This section places the responsibility for managing and investing the fund on Central Bank of Nigeria (CBN). However, the Commission on behalf of Federal Government of Nigeria has been verifying and ascertaining the accrued pension rights of the retiring employees and advising CBN on the various liabilities and payments to be made to them. The Commission is neither a signatory to nor is it involved in the management of the Account.



FOR THE YEAR ENDED 31 DECEMBER 2010

		2011	2010
		N'000	N'000
17	Reconciliation of net surplus in the year to net	14 000	14 000
1 /			
	cash used in operating activities		
	Surplus for the year	3,895	66,712
	Add: Depreciation	136,037	267,399
	Profit on disposal of fixed assets	(250)	(1,554)
	1	139,682	332,557
	Movements in working capital:	100,002	332,33
	Stocks	(E77)	(208)
		(577)	(208)
	Debtors and prepayments	(793,358)	(368,580)
	Creditors	216,865	87,793
	Net cash provided by operating activities	(437,388)	51,562
18	Cash and cash equivalents		
10	Fixed deposits	314,928	123,217
	Cash at bank		
		50,968	28,040
	Cash at hand	3,003	2,000
		368,899	154,259
19	Employees		
	Aggregate payroll costs:		
	Wages, salaries, allowances and bonus	2,124,440	1,763,798
	Pension	242,969	290,697
		-	
	Pension	2,367,409	2,054,495
19.1	Number of employees	Number	Number
	Executives		
	Management	5	5
	Senior	25	15
	Junior	182	159
	Juliot		
		5	8
		217	187

20 Post balance sheet events

There were no post balance sheet events which could have had material effect on the balance sheet of the Commission at 31 Decembe r, 2011 and on the income and expenditure for the period ended on that date which have not been adequately provided for or recognized in these financial statements.

21 Comparative figures

Certain comparative figures have been reinstated in line with the presentation in the current year.





STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER 2010

6.7 STATEMENT OF VALUE ADDED

	2011 N'000	%	2010 N'000	%
Income	4,235,433		3,529,215	
Less: Bought in materials and services - local	(1,728,092)		(1,140,609)	
iodai	(1,1,20,002)			
	2,507,341	100	2,388,606	100
Applied as follows:				
To pay employees'				
Wages, salaries and other benefits	2,367,409	95	2,054,495	86
To provide for assets replacement				
Depreciation	136,037	5	267,399	11
Retained for future growth				
Surplus for the year	3,895	0	66,712	3
	2,507,341	100	2,388,606	100



6.8 FINANCIAL SUMMARY

31 DECEMBER	2011 N'000	2010 N'000	2009 N'000	2008 N'000	2007 N'000
FIXED ASSETS WORK IN PROGRESS	1,724,271	1,379,130	1,395,369	1,630,339	1,362,961
CURRENT ASSETS Stocks Debtors and prepayments Bank and cash	21,024 1,712,717 368,899	20,447 919,359 154,259	20,239 550,779 123,530	14,140 297,933 11,722	4,978 551,085 495,974
	2,102,640	1,094,065	694,548	323,795	1,052,037
CURRENT LIABILITIES Creditors and accruals	434,794	217,929	130,136	215,350	255,941
Net current assets	1,667,846	876,136	564,412	108,445	796,096
NET ASSETS	3,392,117	2,255,266	1,959,781	1,738,784	2,159,057
FINANCED BY Capital grant General revenue fund	2,997,905 394,212 3,392,117	1,864,949 390,317 2,255,266	1,636,176 323,605 1,959,781	1,636,176 102,608 1,738,784	1,636,176 522,881 2,159,057
Contingent assets/liabilities Contingent liabilities and other obligations on behalf of Federal Government of Nigeria and its employees	197,494,662	169,607,381	133,361,874	151,260,549	155,037,214
Revenue Income Other income	4,211,180 24,253	3,483,539 45,676	2,869,646 70,948	2,255,458 36,422	1,932,865 38,661
	4,235,433	3,529,215	2,940,594	2,291,880	1,971,526
Less: Expenditure Administrative expenses Depreciation of fixed assets	4,095,501 136,037	3,195,104 267,399	2,497,237 279,274	2,439,908 272,245	1,583,617 118,962
Surplus for the year	3,895	66,712	164,083	(420,273)	268,947



ADDRESSES AND PROFILES OF PENSION **OPERATORS**





.1 Contact Details of Pension Fund Operators

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S/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
_	Aiico Pension Managers Limited	Eguarekhide J.Longe	Plot 2, Oba Akran Avenue, Ikeja Lagos	08157306868, 08035200319 01-2624667, 2625003	info@aiicopension.com www.aiicopension.com
2	Amana Capital Pension Limited	Mohammed Gulani Shuaibu	No 7, Victoria Falls Street, Off Shehu Shagari Way (Behind Legacy House) Maitama, Abuja	08022902465, 09-4615300, 4615380-99	Info@amanapension.com www.amanapension.com
n	Apt Pension Funds Managers Limited	Dr. Al-Mujtaba Abubakar	Federal Mortgage Bank House, Plot 266, Cadastral AO, Central Business District, Garki, Abuja	08033146939 09-4614400-29,	info@aptpension.com www.aptpensions.com
4	ARM Pension Managers Limited	Sadiq Mohammed	No.5 Mekunwen Road, off Oyinkan drive, Ikoyi, Lagos	08034021705, 01-2715000	info@armpension.com www.armpension.com
Ŋ	Citi Trust Pension Managers Limited	Otunba Otukayode Otufale	Citi Trust Plaza, 10th Floor, 9/11 Catholic Mission Street, Lagos Island, Lagos	08059302146 08027784632, 01-2645380, 2635381	ctubs@infoweb.abs.net www.cititrustpension.com
9	Crib Pension Fund Managers Limited	Akin Akinbola (Ag.MD/CEO)	Aret Adams House, Left Wing 2nd Floor, 233 Ikorodu Road, Ilupeju, Lagos	08022912201, 01-2790866 -7, 01-8978296,	info@cribpension.com www.cribpension.com
7	CrusaderSterling Pensions Limited	Adeniyi Falade	Plot 42, Adeola Hopewell Street, Victoria Island, Lagos	08058004953, 01-2713800-4	info@crusaderpensions.com www.crusaderpensions.com



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S/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
∞	Evergreen Pensions Limited	Clement E. John	74 Abak Road, Uyo, Akwa Ibom State	08033238845, 085200285, 085200286	info@evergreenpensions.com www.evergreenpensions.com
o	Fidelity Pension Managers Limited	Amaka Andy-Azke (Ag.MD/CEO)	2 Adeyemo Alakija Street, Victoria Island, Lagos	08033257523, 01-4626968-9, 4626993	info@fidelitypensionmanagers.com www.fidelitypensionmanagers.com
10	First Guarantee Pension Limited	Chima Akalezi (Ag.MD/CEO) Interim Management Committee	Irorun Plaza 65, Kudirat Abiola Way Oregun, Ikeja , Lagos.	08033279973 09-4130995, 094131006, 094130732-3	info@firstguaranteepension.com www.firstguaranteepension.com
-	Future Unity Glanvills Pensions Limited	Usman B. Suleiman	Plot 1230B Bishop Oluwole Street, Victoria Island, Lagos	08033435906, 01-4627060, 01-4627061	info@fugpensions.com www.fugpensions.com
12	IEI-Anchor Pension Managers Limited	Emmanuel Ortswen (Ag.MD/CEO)	No. 51A, Oro Ago Crescent, Garki II, Abuja.	08033812211, 09-3146526, 09-4618900-9	info@anchorpension.com www.iejanchorpensions.com
13	IGI Pension Fund Managers Limited	Stannislaus Uchenna Ezeobi	8, Adeola Odeku Street, Victoria Island, Lagos	08084995466 01-6213043-47	info@igipfm.com www.igipfm.com
4	Leadway Pensure PFA Limited	Mrs. Aderonke Adedeji	Afric Place, No. 7 Afric Road, Off Western Avenue, Lagos	08022242181, 01-2800800, 01-2800850	pensions@pensure-nigeria.com www.pensure-nigeria.com
70	Legacy Pension Managers Limited (PFA)	Misbahu Umar Yola	No. 39, Adetokunbo Ademola Crescent, Wuse II, Abuja	08022235807, 09-6738002, 09-4613500-3, 08059580002	info@legacypension.com www.legacypension.com



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S/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
16	NLPC Pension Fund Administrators Limited	Wale O. Kolawole	No. 312A, Ikorodu Road, Anthony, Lagos	08034027008, 01-2793580-2	info@nlpcpfa.com www.nlpcpfa.com
17	Oak Pensions Limited	Micheal O. Olayinka	15B, Oko Awo Street, Off Adetokunbo Ademola Street, Victoria Island, Lagos	08034035607, 01-4614075, 01-4614075	info@oakpensions.com www.oakpensions.com
<u>~</u>	Penman Pensions Limited	Wilson Ndidi Ideva	NACRDB Plaza, Link Block Independence Avenue, Central Business District, Abuja	08073399874, 09- 4618900-9, 01-2706401	info@penmanpensions.com www.penmanpensions.com
19	Pensions Alliance Limited	Emenike D. Uduanu	9 th Floor UBA Building 57 Marina, Lagos	08034039191, 01-2802290 - 3	info@pensionsalliance.com www.pensionsalliance.com
20	Premium Pension Limited	Yahaya Ibrahim	No. 7, Dar-Essalam Street, Off Aminu Kano Crescent, Wuse II, Abuja	08033105190, 09-4615701 - 5, 09-461 5700	info@premiumpension.com www.premiumpension.com
21	Royal Trust Pension Fund Administrator Ltd	Okechukwu Okorie (Ag. MD/CEO)	Plot 2107 Tafawa Balewa Way, Area 3, Garki, Abuja	08033242553, 09-7800427, 09-7802508	info@royaltrustpension.com www.royaltrustpension.com
22	Sigma Pensions Limited	Umaru H. Modibbo	No. 29 Durban Street,Off Adetokunbo Ademola Crescent, Wuse II, Abuja	08033164996, 09-4613333, 09-5237787, 09-5237816	info@sigmapensions.com www.sigmapensions.com
23	Stanbic IBTC Pension Managers Limited	Dr. Ademola Sogunle	Plot 1678, Olukunle Bakare Close, Victoria Island, Lagos	08034020097, 01-2716000	pensionmanagers@stanbicibtc.com www.stanbicibtcpensions.com



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E-mail and Web Addresses	enquiries@trustfundpensions.com www.trustfundpensions.com
Phone No.	08052090315, 08057003000, 08056000102, 08069778760, 09-6710699
Address	Plot 820/821, Labour House, Central Business District, Abuja
Managing Director	Helen Da-Souza (Ag.MD/CEO)
Name of Operator	Trustfund Pensions PIc





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s/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
	Chevron Nigeria Pension Plan Limited	Obafunke Alade- Adeyefa	SPG Complex (Agungi Bus Stop), Lekki/Ajah Express Way, Lagos	08035250363, 01-2600600, 01-3661828, 01-3668129	info@chevron.com/nigeria www.chevron.com/nigeria
	Nestle Nigeria Trust (CPFA) Limited	Adewale A. Fakoya	22/24 Industrial Avenue, Ilupeju, Lagos	08034020175,	info@ng.nestle.com www.ng.nestle.com
	Nigerian Agip CPFA Limited	Chukwudi N. Illoh	No 1 Elsie Femi Pearse Street Off Adeloa Odeku Street Victoria Island, Lagos	07034060851 01-2600100-9, 01-2621600-9	info@naoc.agip.it www.naoc.agip.it
	Progress Trust CPFA Limited	Mrs. H.T. Lawani	Iganmu House, No 1, Abebe Village Road, Iganmu, Lagos	08053184274, 01-5801340	info@progresstrustcpfa.com www.progresstrustcpfa.com
	Shell Nig. Closed Pension Fund Administrator Ltd	Mrs. Yemisi Ayeni	1st Floor C-Wing, Bank of Industry Building, 23 Marina, Lagos	08070362007, 08070269999, 01-2769999	info@shellnigeria.com www.shellnigeria.com
	Total (E and P) Nigeria CPFA Limited	Emmanuel Essien	30 Kofo Abayomi Street Victoria Island, Lagos .	08039799842, 01 -2623720-38	info@totalcpfa-ng.com www.totalcpfa-ng.com
. •	Unico CPFA Limited	Mrs. Muyibat O. Idowu Abbas	Niger House, 1-5 Odunlami Street, Lagos	08033340592, 01-2661756; 01-7943025, 01-7410932,	unico@uacnplc.com www.unicocpfa.com

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Table 7.3: Pension Fund Custodians

S/No	S/No Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses	
	Diamond Pension Fund Custodian Limited	Chinedu Osundu Ekeocha (Ag.MD/CEO)	1A Tiamiyu Savage Street, Victoria Island, Lagos	07034111256, 01-2713954, 01-2713680, 01-723161,	info@diamondpfc.com www.diamondpfc.com	
.:	First Pension Custodian Nigeria Limited	Akinwumi Fanimokun	124 Awolowo Road, Ikoyi, Lagos	01-4613753 08022901979, 01-2713217, 01-82692736	info@firstcustodiannigeria.com www.firstpensioncustodian.com	
	UBA Pensions Custodian Limited	Mrs. Oluwatomi A. Soyode	Plot 22b, Idowu Taylor Street, 08038077700, Victoria Island, Lagos	08038077700,	info@ubapensions.com www.ubapensions.com	
	Zenith Pensions Custodian Limited	Nkem Oni- Egboma	1 Samuel Manuwa Crescent, Victoria Island, Lagos	08023164118, 01-2782900 - 30	enquiries@zenithcustodian.com www.zenithcustodian.com	



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Table 6.4: Profile of Pension Fund Administrators

6.2Profile of Pension Fund Operators

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PFA Name	Vame	Board of Directors		Paid-up Share Capital M' million)	Number or Branches/ Service Centres	External Auditors
Aiico Pens Managers	Alico Pension Managers	Chief (Dr.) Rasheed Gbadamosi, OFR Ag Eguarekhide J.Longe Chief (Dr.) S. I. Adegbite, OFR Dir Chief (Dr.) O. Fajemirokun Dir S. D. A. Shobanjo Adeboye Shonekan Dir B. J. Oluwadiya Dir Ademola Abimbola Dir Ebi Ernest Chukwudi Dir Nurdeen Adeyemo Fagbenro Dir	Chairman Ag. Managing Director/CEO Director Director Director Director Director Director Director	800.0		Ernst & Young 2A Bayo Kuku Street, Ikoyi, Lagos Tel: 01 -4630479-80
Amar	Amana Capital Pension Limited	Chief O. C. Harry JP. Modibbo Yusufu Aliyu Mohammed Gulani Shuaibu Effiong S. O. Onwionoko Abubakar Muhammed Mann Yaro-Alhaji Jinjiri Mohammed Bashir Tukur Edward O. Akerele Bello Mustapha Belel Ind	Chairman Vice Chairman Managing Director/ Director Director Director Director Director Director Director Director	452.89		P. A. Adebimpe & Co. First Floor, Wema Bank Building, Central Business District, Abuja Tel: 08036858830
APT Pe Funds I Limited	APT Pension Funds Managers Limited	Dr. Al-Mujtaba Abubakar Gumi Ch Hamza Sule Wuro Bokki Kasimu Garba Kurfi Ahmed Rufai Alti Danfuloti Kado Guga	Chairman Managing Director/CEO Director Director Director	472.43		Muhtari Dangana & Co. (Chartered Accountants) 12, Bompai Road, Kano

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External Auditors	KPMG Professional Services. 22A, Gerrard Road, Ikoyi, Lagos Tel: 01-2694660-4 01-4630290-3	Oyelami Soetan Adeleke & Co (Chartered Accountants), Kresta Laurel Complex, 4 th Floor, 376 Ikorodu Road, Maryland, Lagos Tel: 01-7744873, 4935391	SIAO (Chartered Accountants), 18B, Temple Road, Ikoyi, Lagos Tel: 01-4630867, 01-4630873
Number of Branches/ Service Centres			
Paid-up Share Capital (₦' million)	1,190.48	200.00	200.00
	Chairman Managing Director/CEO Director Director Independent Director Director	Chairman/Ag, CEO Director Director	Chairman Ag. Managing Director
Board of Directors	Christopher Nonyelum Okeke Sadiq Mohammed Ayodeji Ali Ms. Jumoke Ogundare Emmanuel Ikazoboh Aliyu Asgar Yar'adua Akojobi Ndunaka Daniel	Otunba Otukayode Otufale Olusegun Olusanya Chief Alex Duduyemi Chief Adedotun B. Adebonojo	Chief Babajide Olatunde-Agbeja Akin Akinbola Adedotun Ogunwoolu Mrs. Bola Onigbogi Adegboyega Isiaka Oyetola Olumide Koya Kenneth Etim Femi Olubanwo Bode Olatunji Ms. Mojisola A gbabiaka Muhammed Imam Yahaya John Imoukhuede
PFA Name	ARM Pension Managers Limited	Citi Trust Pension Managers Limited	Crib Pension Fund Managers Limited
S/N			ua.



Table 7.4: Profile of Pension Fund Administrators (Cont'd)

External Auditors	Pannel Kerr Forster NACRDB Building 4 th Floor Independence Way, CBD, Abuja Tel: 08034086939 08080411569	Dan Oku & Co. (Chartered Accts. & Consultants) No. 2, Offiong Ekpo Close, Off. 65, Marian Extension, Calabar Tel: 08033181182	Akintola Williams Deloitte & Touche 235, Ikorodu Road, Ilupeju, Lagos Tel: 01 -4930720-4
Number of Branches/ Service Centres			
Paid-up Share Capital (₩'	951.04	366.99	700.00
	Chairman Managing Director/CEO Director Director Director Director Director Director Alternative Director to Gabriel O. A.O.	Chairman Managing Director/CEO Director Director Director Director Director Director Director Director	Chairman Managing Director/CEO Director Director Director
Board of Directors	Olutola O. Mobolurin Adeniyi Falade Gabriel O. A. Oyelami Akinwale Charles Adewunmi Lanre Adesanya Joseph O. Ameh Tofarati Agusto Razack Adeyemi Adeola Bennedikter C. Molokwu Ngozi Nlebemuo	Ini Etuk Clement Etim John Elder (Mrs.) Ukeme Esang Mrs. Comfort Essien Mrs. N. A. Roberts Ubong Awah Eng. Nsikanabasi Ebanga Eng. Bassey Usang Bassey	Chief Christopher Eze Amaka Andy Azike Mike Osime Maj. Gen. Mohammed Magoro (Rtd) Reginald Ihejiahi Chukwuemeka Obiagwu
PFA Name	Crusader Sterling Pension Limited	Evergreen Pensions Limited	Fidelity Pension Managers Limited
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Paid	Share	Capital	Board of Directors (♣' million,	
			PFA Name	

Table 7.4:Profile of Pension Fund Administrators (Cont'd)

PFA Name First Guarantee Pension Limited	Board of Directors Comrade Issa Aremu Chime Akalezi Johnny Ojeaga Co	Chairman (Interim Management Committee) Ag. Managing Director/CEO Member (Interim Management Committee	Capital (AV million) 583.85 EO ment	Service	External Auditors Spiropoulous Adiele Okpara & Co, 2 Sunday Street, Palmgrove Shomolu, Lagos 7744970
Future Unity Glanvills Pensions Limited	Vacant Usman B. Suleiman Richard Asabia Kayode Pitan Adekunle Abdulrazaq Oyinloye Ibrahim Tanko muhammed Adeyinka O. Sogunle Anthony Ojeshina Chief A.O. Omisore Colonel .I. Akanni Oluyemi Patrick Olatunji	Chairman Managing Director/CEO Director Director Alternate Director to kayode Pitan Director Director Director Director Alternate Director to Omisore Alternate Director to Anthony	1,000.0 de Pitan sore		Pannel Kerr Forster Toleye House 362, Ikorodu Road , 1A Okure Estate Mainland Lagos Tel:

362, Ikorodu Road, 1A Okure Estate Mainland Pannel Kerr Forster Toleye House Lagos 1,000.0 Ag. Managing Director/CEO Chairman

Director Director Director Director Director

AbdulAzeez Abubakar Ibrahim

Rufa'l S. Hanga

Ifie Sekibo M. P

Emmanuel Ortswen

Zwingina

Sen. (Dr.) Jonathan Silas

IEI-Anchor Pension Managers Limited

12.

Anthony Madojemu Okuredy

Dr. Obadia Mailafiya

Francis Okwedy

Alternate Director

Lawal Sayyadi

Ojeshina

Independent Director



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Table 7.4:Profile of Pension Fund Administrators (Cont'd)

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External Auditors	Akinola Akintunde & Co 3 Igowu Taylor Street Victoria Island Lagos Tel: (234)01 - 17101339	Akintola Williams Deloitte & Touche 235, Ikorodu Road, Ilupeju, Lagos Tel: 01 -4930720-4	KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01 -2694660-4, 01-4630290-3
Number of Branches/ Service Centres			
Paid-up Share Capital (₦' million)	250.0	1,589.38	266.68
	Chairman Managing Director/CEO Executive Director Director Director Independent Director	Chairman Managing Director/CEO Director Director Director Director Director Director Director Director	Chairman Managing Director/CEO Executive Director Director Director Director
Board of Directors	Apostle (Dr.) Hayford Alile, OFR Stanislaus Uchenna Ezeobi Doyin Adebambo Remi Olowude, OON Gen. (Dr.) Yakubu Gowon(Rtd), GCFR Rotimi Fashola Chief Eugene Okwor	Lt. Gen. Garba Duba (Rtd) Mrs. Aderonke Adedeji Oye Hassan-Odukale Dr. Anandi Prakash Mittal Kofo Majekodunmi Tunde Hassan-Odukale Ike Osakwe Wole Oshin Olutayo Odunsi	Mahey Rasheed Rafindadi Misbahu Umar Yola Umar Sanda Mairami Ahmed Lawan Kuru Segun Fawora Lamis Dikko Mrs. Bukola Smith
PFA Name	IGI Pension Fund Managers Limited	Leadway Pensure PFA Limited	Legacy Pension Managers Limited PFA
S/N	<u>£</u>	4.	15.



Table 7.4: Profile of Pension Fund Administrators (Cont'd)

2A Bayo Kuku Street, Ikoyi (Chartered Accountants) Ajibade Durojaiye & Co 27 Ajayi - Aina Street Lagos Tel: 01 -4630479-80 External Auditors 08085526749 Tel: 01-7747925, Ifako-Gbagada Ernst & Young Number of Branches/ Centres Service Paid-up Share (N' million) Capital 500.0 880.0 Managing Director/CEO Managing Director/CEO Independent Director **Executive Director Executive Director** Chairman Chairman Director Director Director Director Director Director Director El- Yakubu Muhammed Rabiu Samuel Adewole Balogun Chief F. R. A. Marinho Senator O. O. Omilani Micheal. O. Olavinka **Board of Directors** Mrs. C. O. Oyeleye Wale O. Kolawole Dr. Awa Ibraheem J. O. Emmanuel A. A. Adeyeye S. Ayo Twins Samuel Inyang E. O. Eleramo Kwesi Sagoe NLPC Pension Administrators Oak Pensions PFA Name Pensions Penman Limited Limited Fund S/N 16. ∞. 7

Pannel Kerr Forster 2A. Herbert Macaulay	Way, Abuja	Tel;								
497.45										
Chairman Managing Director/CEO	Director	Independent Director	Director	Director	Independent Director	Director	Director	Director	Alternate Director to Engr.	Boni C. Madubunyi
(Dr.) Umaru A. Mutallab, CON Wilson Ndidi Ideva	Amb. Ibrahim Y. Abdullahi, OON	Dr. Suleyman Ndanusa, OON	Umaru Kwairanga	Abdulkadir Idris	Adekunle O. Alonge	Engr. Boni C. Madubunyi	Barrister Wada Ibrahim	Sulaiman Dauda Karofi	Anthony E. Nzenwata	



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Table 7.4:Profile of Pension Fund Administrators (Cont'd)

N/S	PFA Name	Board of Directors		Paid-up Share Capital (₦' million)	Number of Branches/ Service Centres	External Auditors
	Pensions Alliance Limited	Rilwan Bello Osagie Emenike.D. Udanu Daniel Agbor Mrs. Hamda Ambah Junaid Dikko Alphonse O. Okpor Ms. Olufunsho Olusanya Folashade Laoye	Chairman Managing Director/CEO Director Director Director Director Director Director	008		PriceWaterhouseCoopers Plot 252E Muri Okunola Street , Off Ajose Adeogun Street Victoria Island Lagos Tel: 01-2711700
50.	Premium Pension Limited	Aliyu A. Dikko Yahaya Ibrahim Hamidu B. Mohammed Kayoed Akande Ahmed Almustapha Mohammed Inuwa Yahaya Dr. (Mrs) Virgy Anohu A. Y. B. Adeshina Paul Usoro (SAN) Mohammed Inuwa Yahaya Idris Saleed Ibrahim Alhassan Babayo Mohammed Jibrin Barde	Chairman Managing Director/CEO Executive Director	597.39		PriceWaterhouseCoopers (PWC) Plot 252E Muri Okunola Street Off Ajose A deogun Street Victoria Island, Lagos Tel.01-2711700
	Royal Trust Pension Fund Administrator Limited	Owelle Prince C. N. Ukachukwu Okechukwu Okorie Okey J. Moka Hon. Ben Nwankwo Princess Millicent Ukachukwu Daniel Nwokedi Chief Fabian Nwaora	Chairman Ag.Managing Director Director Director Director Director Director	174.70		KL & Co. (Nigeria) Chartered Accountants Suite 26/27E, Sabon Dale Shopping Complex Plot 526, Obafemi Awolowo Way, Jabi District



Table 7.4: Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board o	Board of Directors	Paid-up Share Capital (₦' million)	Number of Branches/ Service Centres	External Auditors
22.	Sigma Pensions Ltd	Alhaji Rasaki Oladejo Umaru H. Modibbo Rick Veringa Bala Muhammed Bello Chief Cletus Imasuen Adamu M. Modibbo Mrs. Titilayo T. Adebiyi Mohammed A. Jalingo Dunami Stanley Balami Ms. Yimebe Joi Nunieb	Chairman Managing Director/CEO Deputy Managing Director Executive Director Director Director Director Director Director Independent Director	965.31		Muhtari Dangana & Co (Chartered Accountants) 12 Bompai Road Kano Tel:
23.	Stanbic IBTC Pension Managers Limited	Atedo N. A. Peterside, OON Dr. Ademola Sogunle Steve Elusope Eric Fajemisin Yinka Sani Ahmed Dasuki Mrs. Olusola A. David-Borha Okey Nwuke Mrs. Aniola Durosinmi Etti Oladipo Ajose-Adeogun	Chairman Managing Director/CEO Executive Director	1,000.0		KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4, 01-4630290-3
24.	Trustfund Pensions PLC	Helen Da-Souza Peter Esele Akinwumi Oladeji Oseretin Demuren	Chairman Ag. Managing Director/CEO Director (TUC) Director (NECA) Independent Director	1,000.0		Ernst & Young (Chartered Accountants) 2A, Bayo Kuku Street, Ikoyi, Lagos 01-4630479-80





Table 7.5: Profile of Closed Pension Fund Administrators

CPFA Name Name of
Andrew Fawthrop Olafunke Alade-Adeyefa J.E. Nwanosike J.U. Uwakwe Ike Oguine Ezekiel O. Shadiya Emmanuel O. Imafidon Olarenwaju Kalejaiye Kurt Reimer
Martins Woolnoogh Adewale Abiodun Fakoya S. O. Solesi Martins Krugel David C. Ifezulike
Carlo V. Russo Chukwudi N. Illoh Engr. Naaman F. Dienye Stefano Pujatti
Nicholas Adrianus Vervelde Mrs. H. T. Lawani C.O. Oke V. N. Onwuadiamu Anthony Anyansi Victor Famuyibo Rapheal Kunle Tukuru Ogochukwu Agu



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Table 7.5: Profile of Closed Pension Fund Administrators (Cont'd)

1 1	S/N CP	PFA Namo	CPFA Name Name of Director	Appointment	External Auditors
	Shell Nig. Closed Pension Fund Administrator Ltd	on Fund	Mutiu Sunmonu Osagie Okunbor Mrs. Yemisi Ayeni Mrs Claire Ighodaro Bode Agusto Bernard Bos Chike Onyejekwe Olujinmi Lawal	Chairman Alternate Chairman Managing Director/CEO Director Independent Director Director Director	PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island, Lagos Tel: 01-271700 01-2703101 - 15
	Total (E and P) Nigeria CPFA		imited John Addeh Emmanuel Essien Paul Bertucchi Mrs. Chantal Belliard Olalera Babasola Mrs. Edith Ofili-Okonkwo Benjamin Okorie-Agidi Chijjoke Udoba Michael Anwankuo Harriet Ann Adesola	Chairman Managing Director/CEO Director	KPMG Professional Services 22A Gerrard Road, Ikoyi, Lagos
	Unico CPFA Limited		Larry Ephariam Ettah Mrs. Muhibat O. Idowu Abbas Julius O. Oshomoji Abdul Akhor Bello Olayiwola A. Adetomiwa Abimbola Olashore Brabindo Oruware Ogun	Chairman Managing Director/CEO Director Non Executive Director Independent Director Director	Akintola Williams Deloitte & Touche, 235, Ikorodu Road, Illupeju, Lagos Tel: 01-4930720-4

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Table 7.6: Profile of Pension Fund Custodians

	nual Report & Stater
252E Muri Okunola Stree t, Off Ajose Adeogun, Victoria Island, Lagos Tel: 01-2711700 01-2703101 – 15	KPMG Professional Services 22A Gerrard Road, Ikoyi, Lagos Tel: 01-2694660-4 01-4630290-3
	0.000.0

				Paid-up Share	
S/N	PFC Name	Name of Director	Appointment	Capital ₩' million)	External Auditors
·	Diamond Bank Custodian Nigeria Limited	Oladele Akinyemi Chinedu Ekeocha Obinna Uruakpa Joe Kyari Gadzama Adedoyin Salami	Chairman Ag. Managing Director/CEO Non-Executive Director Non-Executive Director Non-Executive Director	2,000.0	PriceWaterHouseCoopers 252E Muri Okunola Stree t, Off Ajose Adeogun, Victoria Island, Lagos Tel: 01-271700 01-2703101 – 15
2	First Pension Custodian Nigeria Limited	Chief (Dr) Joseph Sanusi, CON Akinwumi Fanimokun Kunle Jinadu Mallam Umar Yahaya Ijeoma E. Jiodenma Muhammadu Ibrahim, OFR Adebayo O. Odeniyi	Chairman Managing Director/CEO Executive Director Executive Director Director Independent Director	2,000.0	KPMG Professional Services 22A Gerrard Road, Ikoyi, Lagos Tel: 01-2694660-4 01-4630290-3
ന്	UBA Pensions Custodian Limited	Victor Odozi Mrs. Oluwatomi Soyode Victor Osadolor Bismarck Rewane Emmanuel Nnorom Dr. (Mrs.) Vivien Elumelu	Chairman Managing Director/CEO Director Director Director Director	2,000.0	Akintola Williams Deloitte & Touche 235, Ikorodu Road, Illupeju, Lagos Tel: 01-4930720-4
4	Zenith Pensions Custodian Limited	Godwin Emefiele Nkem Oni-Egboma	Chairman Managing Director/CEO	2,000.0	PriceWaterHouseCoopers 252E Muri Okunola Street,

Off Ajose Adeogun, Victoria

Island, Lagos Tel: 01-2711700 01-2703101-15

Independent Director

Udom Emmanuel Prof. Grace Alele Williams

Steve Omojafor Adaora Umeoji

Director Director

Director Director

Peter Amangbo



APPENDIX 1:THREE YEAR FINANCIAL SUMMARY OF PENSION FUND ADMINISTRATORS FOR THE PERIOD 2009 – 2011

AIICO Pension Fund Managers Limite	ed		
	2011	2010	2009
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash & Bank Balances	4,263	12,007	981
Short-term Investments	159,086	100,000	6,318
Receivables and prepayments	140,850	101,427	89,040
Inventory	479	-	-
Long-term Investments	16,771	21,276	-
Tangible fixed assets	43,755	45,528	57,408
Pre operational expenses	-	4,902	19,609
Deferred Taxation	215,780	227,292	201,348
TOTAL ASSETS	580,985	512,432	374,704
LIABILITIES			
Creditors and accruals	48,608	37,856	50,103
Taxation	4,209	2,455	-
Long-term Loan	300,000	240,000	-
	352,818	280,311	50,103
NET ASSETS	228,168	232,121	324,601
-			
CAPITAL AND RESERVES			
Share Capital	800,000	800,000	800,000
Share Premium	39,200	39,200	39,200
Statutory Reserves	220	-	-
Reserves	-611,252	-607,079	-514,599
SHAREHOLDER'S FUNDS	228,168	232,121	324,601
	**	::	
REVENUE, PROFT AND LOSS ACCOUNT			
Revenue	363,473	286,059	300,620
Other income	12,700	4,890	2,662
Profit/(loss) Before Taxation	17,481	-115,969	-142,494
Profit/(loss) After Taxation	1,761	-139	-94,612
Earnings/(Loss) Per Share	.22k	(12k)	(12k)
Net Assets Per Share	66k	29k	35k
Total Assets Per Share	72k	64k	41k



Apt Pension Funds Managers Limit			
	2011	2010	2009
	(N'000)	(N'000)	(N'000)
ASSETS			
Fixed Assets		18,606	55,202
Investments		2,725	-
Cash & Bank		664	2,813
Advances & prepayments		65,798	58,809
	-	87,793	116,823
LIADUTTICO		504.700	FF 4 00C
LIABILITIES		-591,769	-554,386
NET ASSETS	_	-503,976	-437,562
FINANCED BY:			
Share Capital		150,500	150,500
Share Premium		19,600	-
Accumulated Loss		-674,076	-588,062
SHAREHOLDER'S FUNDS	7	-503,976	-437,562
INCOME			
Fund management & Admin fees		82,452	42,319
Others		26,702	340
		109,154	42,659
Less Operating expense		-195,168	-220,603
Profit/(loss) Before Tax		-86,014	-177,944
Tax	-	-00,014	- 1 <i>1 1</i> ,544 -
/ /			
Profit/(loss) After Tax	-	-86,014	-177,944



ARM Pension Managers (PFA) Limit	ed		
	2011	2010	2009
	(N'000)	(N'000)	(N'000)
Gross Earnings	1,799,336	1,134,944	646,519
Profit/(Loss) Before Taxation	622,873	258,058	121,433
Profit/(Loss) After Taxation	399,425	359,413	67,463
Fixed Assets	127,740	156,911	110,453
Goodwill	810,543	810,543	-
Deferred Tax Asset	104,424	184,478	68,751
Current Assets			
Receivables	168,828	122,654	62,385
Prepayment and Other Debtors	329,807	154,406	57,404
Cash and Short-term Funds	154,608	152,283	333,014
Treasury Bills	460,425	_	-
	1,113,668	429,343	452,803
CURRENT LIABILITIES			
Creditors: Amounts Falling due within on year	L"		
Other creditors and accrued expenses	291,828	184,670	57,088
Tax Payable	143,533	14,371	9,457
Finance Lease due within one year	143,333	2,565	9,437
I mance Lease due within one year	435,361	201,606	66,545
Net Current Asset/(Liabilities)	678,307	227,737	386,258
Creditors: Amounts Falling due within one ye		221,101	000,200
Provision for Staff Gratuity	-51,476	-11,325	-
Finance Lease due after one year		-2,993	-
Net Assets	1,669,538	1,365,351	565,462
Financed By:			
Share Capital	1,190,476	1,190,476	750,000
Share Premium	18,162	18,162	18,162
Statutory Reserves	104,494	54,566	9,640
Retained Profit/(Loss)	356,406	102,147	-212,340
Shareholders' Funds	1,669,538	1,365,351	565,462
Earnings/(Loss) Per Share	33.55K	35.69K	10.79K
			10.701



Crib Pension Fund Managers Limite	d		
	2011	2010	2009
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash & Bank Balances	6,885	3,045	11,021
Debtors & Prepayments	95,644	40,880	12,931
Deferred Charges	8,230	16,461	24,691
Investment	-	-	633
Fixed Assets	1,911	14,398	36,385
Total Assets	112,671	74,784	85,662
LIABILITIES			
Creditors	68,785	59,531	45,367
Deposit for Shares	239,240	222,240	142,990
Long-Term Loan	239,240	222,240	13,914
Pension Benefit	6,683	4,512	5,823
Taxation	1,895	630	5,025
Total Liabilities	316,604	286,912	208,094
Total Elabilities	310,004	200,912	200,034
NET ASSETS	-203,933	-212,128	-122,433
CADITAL AND DESERVES			
CAPITAL AND RESERVES	200,000	200 000	200 000
Share Capital Revenue Reserves	200,000 -403,933	200,000 -412,128	200,000 -322,433
_	-203,933	-212,128	-322,433 -122,433
SHAREHOLDER'S FUNDS	200,000	212,120	122,400
PROFT AND LOSS ACCOUNT			
Turnover	107,930	45,484	12,551
Profit/(loss) Before Tax	9,460	-89,590	-129,445
Tax	-1,266	-630	-
Profit/(loss) After Tax	8,195	-90,220	-129,445
Earnings/(Loss) Per Share	4	-45	-159
Diluted Loss Per Share			-65



Crusader Sterling Pension Limited			
	2011	2010	2009
	(N'000)	(N'000)	(N'000)
Gross income	856,067	614,084	463,299
Fees income	807,118	577,419	432,666
Interest income	47,553	24,914	30,633
Other income	1,396	11,751	
Administrative expenses	-534,550	-408,549	-355,919
Profit on ordinary activities before taxation	321,517	205,535	107,380
ASSETS			
Cash & Bank Balances	928,973	305,183	226,519
Debtors and prepayments	42,279	16,936	4,143
Others	120,242	102,875	96,517
Fixed Assets	126,896	75,719	53,351
Deferred Taxation			
	1,218,390	500,713	380,530
LIABILITIES			
Creditors and accrued expenses	116,778	87,390	126,908
Deposit for Shares	401,870	-	15,314
Staff pension fund	-	2,106	856
Taxation	12,050	7,637	7,388
	530,698	97,133	150,466
CAPITAL AND RESERVES			
Ordinary Share Capital	725,875	725,875	725,875
Preference Share Capital	225,166	225166	225166
Share premium	4,284	4284	4284
Statutory contingency Reserve	79,525	41196	16692
Revenue reserve	-347,158	-592,941	-741,953
SHAREHOLDER'S FUNDS	687,692	403,580	230,064
Total liabilities and equities	1,218,390	500,713	380,530



Evergreen Pensions Limited			
	2011	2010	2009
CARITAL EMPLOYER	(N'000)	(N'000)	(N'000)
CAPITAL EMPLOYED	E 077	29.047	12 700
Fixed Assets	5,877	28,047	43,788
CURRENT ASSET			
Debtors & Prepayment	10,179	8,325	8,405
Cash & Bank Balances	2,269	190	328
	12,448	8,515	8,733
CURRENT LIABILITIES	1=,110	3,5 1	
Other Liabilities	35,300	169,491	100,500
Creditors	27,211	25,239	41,128
_	62,511	194,730	141,628
_			
NET CURRENT LIABILITIES	-52,063	-186,215	-132,895
Pre operational expenses	58,083	58,083	54,483
TOTAL ASSETS	13,897	-100,085	-34,624
_			
FINANCED BY			
Share Capital	366,991	200,000	200,000
Profit and loss account	-353,094	-300,085	-234,624
SHAREHOLDER'S FUNDS	13,897	-100,085	-34,624
PROFIT AND LOSS ACCOUNT			
INCOME			
Administrative fees	10,241	1,987	1,339
Fund Management fees	9,856	3,353	1,070
Other Income	3,846	103	74
TOTAL INCOME FROM OPERATION	23,944	5,443	2,483
LESS OPERATING EXPENSES			
Admin and General Expenses	54,332	46,070	55,023
Depreciation	22,520	22,450	21,108
Auditors Remuneration	100	150	300
	76,953	68,670	76,431
Profit/(loss) Before Tax	-53,009	-63,226	-73,948
Retained Loss for the year transferred to General Reserve Account	-53,009	-63,226	-73,948



Fidelity Pensions Managers			
Limited	2011	2010	2009
	(N'000)	(N'000)	(N'000)
ASSETS	(14 000)	(14 000)	(14 000)
Cash & Bank Balances	120,189	178,769	196,604
Investments	112,217	13,146	14,527
Other Asset	114,787	106,561	92,930
Fixed Assets	12,273	42,229	61,231
Intangible Asset	8,034	17,672	24,906
Total Asset	367,500	358,377	390,198
LIABILITIES			
Creditors and Accrued expenses	296,729	253,914	191,194
SHARE CAPITAL AND RESERVES			
Share Capital	700,000	700,000	700,000
General Reserve	-629,229	-595,537	-500,996
SHAREHOLDER'S FUNDS	70,771	104,463	199,004
SHAREHOLDER STORDS	367,500	358,377	390,198
PROFT AND LOSS ACCOUNT			
Fee Income	157,079	101,555	28,221
Interest Income	25,764	9,064	16,832
Other Income	4,257	22,654	20,566
	187,100	133,273	65,619
Administrative expenses	-179,597	-190,324	-91,167
Depreciation	-24,441	-27,827	-13,611
Amortization of intangible asset	-10,028	-9,663	-4,846
	-6,726		-5,040
Provision for diminution of investment		-	
Profit/(loss) Before Tax	-33,692	-94,541	-49,045
Tax	-	-	-
Profit/(loss) After Tax	-33,692	-94,541	-49,045
Earnings/(Loss) Per Share (Kobo)	-0.05	-0.15	-0.08
Net Assets Per Share	0.1	0.15	0.28



Future Unity Glanvills Pensions Lin	nited		
	2011	2010	2009
100570	(N'000)	(N'000)	(N'000)
ASSETS		224 542	202.004
Cash & Bank Balances		331,512	393,094
Debtors and prepayments Others		6,307 21,964	3,542 11,052
Fixed Assets		170,160	166,965
Deferred Taxation		34,360	72,518
Bolotted Taxation	-	564,303	647,171
		331,333	011,111
CURRENT LIABILITIES			
Trade and Bank balances		41,351	41,902
Other liabilities		12,602	32,798
Tax Payable		-	-
Creditors failing due more than one year		2,524	2,078
	-	56,477	76,778
NET ASSETS	-	507,529	570,393
CAPITAL AND RESERVES		4 000 000	4 000 000
Share Capital		1,000,000	1,000,000
General Reserve		-492,175	-429,607
SHAREHOLDER'S FUNDS		507,825	570,393
SHAREHOLDER S FONDS	***		0.0,000
Revenue		111,819	72,664
Profit/(loss) Before Tax		-62,568	-142,752
Tax		-	29,242
Profit/(loss) After Tax	-	-62,568	-113,510
Faminas/(Isaa) Bar Class			
Earnings/(Loss) Per Share		(G)L	(44)12
Loss per share		(6)k	(11)k



2011 2010 2009 (N'000) (N'000) (N'000) (N'000)	IGI Pensions Fund Managers Limited			
ASSETS Cash & Bank Balances 228 917 Short-term Investments 3,718 75,000 Other Assets 37,462 20,254 Fixed Assets 37,848 61,500 Total Assets 79,256 157,671 - - - CURRENT LIABILITIES Sundry Creditors 4,901 2,608 Total Liabilities - 4,901 2,608 CAPITAL AND RESERVES Share Capital 250,000 250,000 Revenue Reserve -175,645 -94,937 Accumulated deficit -175,645 -94,937 PROFT AND LOSS ACCOUNT Fee Income 25,597 11,612 Interest Income 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Loss for the year -80,708 -94,937 Appropriations Transfer to Statutory Reserve - - -				
Cash & Bank Balances 228 917 Short-term Investments 3,718 75,000 Other Assets 37,462 20,254 Fixed Assets 37,848 61,500 Total Assets 79,256 157,671 CURRENT LIABILITIES - - Sundry Creditors 4,901 2,608 Total Liabilities - 4,901 2,608 CAPITAL AND RESERVES Share Capital 250,000 250,000 Revenue Reserve -175,645 -94,937 Accumulated deficit - -175,645 -94,937 PROFT AND LOSS ACCOUNT Fee Income 25,597 11,612 Interest Income 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Loss for the year -80,708 -94,937 Appropriations - -80,708 -94,937		(N'000)	(N'000)	(N'000)
Cash & Bank Balances 228 917 Short-term Investments 3,718 75,000 Other Assets 37,462 20,254 Fixed Assets 37,848 61,500 Total Assets 79,256 157,671 CURRENT LIABILITIES - - Sundry Creditors 4,901 2,608 Total Liabilities - 4,901 2,608 CAPITAL AND RESERVES Share Capital 250,000 250,000 Revenue Reserve -175,645 -94,937 Accumulated deficit - -175,645 -94,937 PROFT AND LOSS ACCOUNT Fee Income 25,597 11,612 Interest Income 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Loss for the year -80,708 -94,937 Appropriations - -80,708 -94,937	ASSETS			
Short-term Investments 3,718 75,000 Other Assets 37,462 20,254 Fixed Assets 37,848 61,500 Total Assets 79,256 157,671 CURRENT LIABILITIES - 4,901 2,608 Total Liabilities - 4,901 2,608 CAPITAL AND RESERVES Share Capital 250,000 250,000 Revenue Reserve -175,645 -94,937 Accumulated deficit - -74,355 155,063 PROFT AND LOSS ACCOUNT - 74,355 155,063 PROFT AND LOSS ACCOUNT - 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Loss for the year - -80,708 -94,937 Appropriations - - - - - - Transfer to Statutory Reserve - - - - - - -			228	017
Other Assets 37,462 20,254 Fixed Assets 37,848 61,500 Total Assets 79,256 157,671 CURRENT LIABILITIES				
Fixed Assets 37,848 61,500 Total Assets 79,256 157,671 CURRENT LIABILITIES 4,901 2,608 Sundry Creditors 4,901 2,608 CAPITAL AND RESERVES Share Capital 250,000 250,000 Revenue Reserve -175,645 -94,937 Accumulated deficit -175,645 -94,937 SHAREHOLDER'S FUNDS -74,355 155,063 PROFT AND LOSS ACCOUNT 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Taxation - -80,708 -94,937 Appropriations - -80,708 -94,937				
CURRENT LIABILITIES 4,901 2,608 Sundry Creditors 4,901 2,608 Total Liabilities - 4,901 2,608 CAPITAL AND RESERVES Share Capital 250,000 250,000 Revenue Reserve -175,645 -94,937 Accumulated deficit - 74,355 155,063 PROFT AND LOSS ACCOUNT Fee Income 25,597 11,612 Interest Income 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Loss for the year - 80,708 -94,937 Appropriations - 7 - 80,708 - 94,937				
CURRENT LIABILITIES Sundry Creditors 4,901 2,608 Total Liabilities - 4,901 2,608 CAPITAL AND RESERVES 250,000 250,000 Revenue Reserve -175,645 -94,937 Accumulated deficit				· ·
Sundry Creditors		-		
Sundry Creditors	_			
CAPITAL AND RESERVES 250,000 250,000 Share Capital 250,000 250,000 Revenue Reserve -175,645 -94,937 Accumulated deficit - 74,355 155,063 PROFT AND LOSS ACCOUNT Fee Income 25,597 11,612 Interest Income 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Loss for the year - 80,708 -94,937 Appropriations Transfer to Statutory Reserve -	CURRENT LIABILITIES			
CAPITAL AND RESERVES Share Capital 250,000 250,000 Revenue Reserve -175,645 -94,937 Accumulated deficit SHAREHOLDER'S FUNDS - 74,355 155,063 PROFT AND LOSS ACCOUNT Fee Income 25,597 11,612 Interest Income 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Taxation	Sundry Creditors		4,901	2,608
Share Capital 250,000 250,000 Revenue Reserve -175,645 -94,937 Accumulated deficit - 74,355 155,063 PROFT AND LOSS ACCOUNT Fee Income 25,597 11,612 Interest Income 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Taxation - - - Appropriations - - - - Transfer to Statutory Reserve - - - -	Total Liabilities	-	4,901	2,608
Share Capital 250,000 250,000 Revenue Reserve -175,645 -94,937 Accumulated deficit - 74,355 155,063 PROFT AND LOSS ACCOUNT Fee Income 25,597 11,612 Interest Income 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Taxation - - - Appropriations - - - - Transfer to Statutory Reserve - - - -	_			
Share Capital 250,000 250,000 Revenue Reserve -175,645 -94,937 Accumulated deficit - 74,355 155,063 PROFT AND LOSS ACCOUNT Fee Income 25,597 11,612 Interest Income 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Taxation - - - Appropriations - - - - Transfer to Statutory Reserve - - - -				
Revenue Reserve	CAPITAL AND RESERVES			
Accumulated deficit SHAREHOLDER'S FUNDS - 74,355 155,063 PROFT AND LOSS ACCOUNT Fee Income	Share Capital		250,000	250,000
SHAREHOLDER'S FUNDS - 74,355 155,063 PROFT AND LOSS ACCOUNT - 25,597 11,612 Interest Income 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Taxation - - -80,708 -94,937 Appropriations - - - - - Transfer to Statutory Reserve - - - - -			-175,645	-94,937
PROFT AND LOSS ACCOUNT Fee Income 25,597 11,612 Interest Income 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Taxation - - - Appropriations - - - - Transfer to Statutory Reserve - - - -	Accumulated deficit			
Fee Income 25,597 11,612 Interest Income 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Taxation - - Loss for the year - -80,708 -94,937 Appropriations - - - Transfer to Statutory Reserve - - -	SHAREHOLDER'S FUNDS	-	74,355	155,063
Fee Income 25,597 11,612 Interest Income 5,960 462 Administrative expenses -112,265 -107,011 Los on Ordinary Activities before Taxation -80,708 -94,937 Taxation - - Loss for the year - -80,708 -94,937 Appropriations - - - Transfer to Statutory Reserve - - -				
Interest Income			05.507	44.040
Administrative expenses Los on Ordinary Activities before Taxation Taxation - 80,708 - 94,937 Loss for the year 80,708 - 94,937 Appropriations Transfer to Statutory Reserve				
Los on Ordinary Activities before Taxation Taxation -80,708 -94,937 Loss for the year80,708 -94,937 Appropriations Transfer to Statutory Reserve				
Taxation Loss for the year 80,708 -94,937 Appropriations Transfer to Statutory Reserve				
Loss for the year 80,708 -94,937 Appropriations Transfer to Statutory Reserve			-00,700	-94,937
Appropriations Transfer to Statutory Reserve	Taxation		_	_
Appropriations Transfer to Statutory Reserve				
Transfer to Statutory Reserve	Loss for the year	-	-80,708	-94,937
Transfer to Statutory Reserve	_			
	Appropriations			
Loss for the year transferred to Revenue Reserve -80,708 -94,937	Transfer to Statutory Reserve	-	-	-
	Loss for the year transferred to Revenue Rese	rve	-80,708	-94,937



Leadway Pensure Pensions Limite	d		
	2011	2010	2009
	(N'000)	(N'000)	(N'000)
ASSETS	00.004	0.004	
Cash & Bank Balances	20,361	6,381	8,932
Short term Investments	733,079	229,119	136,599
Others assets Long term investment	411,374 1,372	278,123 33,683	120,852 27,529
Intangible assets	2,236	9,103	18,016
Fixed Assets	70,946	46,629	31,352
Assets under finance lease	-	-	28,754
Total Assets	1,239,368	603,038	372,034
	-,	300,000	012,001
CURRENT LIABILITIES			
Deposit for Shares	-	_	_
Shareholders loan	-	_	_
Creditors and accrued expenses	119,915	120,392	152,311
Tax Payable	96,070	12,526	2,780
Deferred Taxation	_	-	-
Total Liabilities	215,985	132,918	155,091
NET ASSETS	856,713	470,120	216,943
CAPITAL AND RESERVES			
Share Capital	1,589,382	1,422,715	1,422,715
Share premium	33,333	1,422,713	*
Statutory Reserve	87,315	43157	11510
Revenue reserve	-686,647	-995,752	-1,217,282
SHAREHOLDER'S FUNDS	1,023,383	470,120	216,943
Liabilities, Capital and Reserve	1,239,368	603,038	372,034
Profit and Loss Account			
Gross Earnings	1,273,630	967,327	714,630
Profit/(loss) Before Tax	443,322	265,703	61,291
Profit/(loss) After Tax	353,263	253,177	92,081
Trong Societ data	12.3	8.9	3.24



Legacy Pension Managers PFA Lim	ited		
	2011	2010	2009
	(N'000)	(N'000)	(N'000)
BALANCE SHEET			
ASSETS			
Fixed Assets	55,560	47,196	66,224
Intangible Assets	20,167	1,190	- 00,224
Differed Tax Assets	23,155	128,967	206,921
Prepayments and Other Debtors	341,456	295,193	125,312
Cash and Short-term Funds	686,484	172,682	84,000
	1,126,823	645,228	482,457
-			· ·
CURRENT LIABILITIES			
Taxation Payable	39,561	12,864	6,874
Other Creditors and Accrued Expenses	136,212	102,086	99,001
Deposit For Share	204,860	218,107	218,107
	380,633	333,057	323,982
NET ASSETS	746,190	312,172	158,475
CAPITAL AND RESERVES	500,004	400 505	400 505
Share Capital	566,681	463,595	463,595
Share Premium	286,059 58,767	202,462 24,008	202,462
Transfer to Statutory Reserves General Reserve	-165,317	-377,894	4,796 -512,378
	746,190	312,172	158,475
SHAREHOLDER'S FUNDS	740,190	312,172	136,473
Pension Funds Under Management	90,298,713	75,058,390	53,157,477
Gross Revenue	1,010,249	723,458	488,320
Profit/(loss) Before Tax	418,916	241,991	67,878
Tax	-140,841	-88,295	-29,512
	,	,	
Profit/(loss) After Tax	278,075	153,696	38,367
Earnings/(Loss) Per Share	0.49	0.33	0.08



NLPC Pension Fund Administrat	tors Limited		
	2011 (N'000)	2010 (N'000)	2009 (N'000)
BALANCE SHEET	,		
ASSETS			
Fixed Assets	98,062	51,973	47,880
Investments	92,832	80,410	51,684
Net Current Assets	169,456	116,172	99,161
	360,350	248,555	198,725
CAPITAL AND RESERVES			
Paid Up Share Capital	880,000	880,000	880,000
Statutory Reserve	23,739	9,344	3,115
General Reserve	-543,089	-640,790	-684,390
SHAREHOLDER'S FUNDS	360,650	248,554	198,725
TURNOVER AND PROFIT			
TURNOVER AND PROFIT Total Income	888,449	696,849	587,926
Total moone	000,443	000,040	307,320
Profit/(loss) Before Tax	112,987	47,279	22,364
Tax	-1,884	-2,550	-2,555
Profit/(loss) After Tax	114,871	49,829	24,919
Earnings/(Loss) Per Share	13.05	49,629 5.66	24,919
Lairings/(LUSS) Fel Shale	15.05	5.00	2.03
Net Assets Per Share	40.95	28.24	22.58



OAK Pensions Limited			
	2011	2010	2009
	(N'000)	(N'000)	(N'000)
BALANCE SHEET			
ASSETS			
Cash & Bank Balances		4,376,352	307,515
Investments		62,484,160	260,600,140
Receivables		84,995,730	31,591,249
Fixed Assets		78,875,067	20,408,816
Deferred Taxation		93,538,281	147,469,469
	-	324,269,590	460,377,189
CURRENT LIABILITIES		-91,490,594	-248,106,978
NET ASSETS	-	232,778,996	212,270,211
CAPITAL AND RESERVES			
Share Capital	-	500,000,000	500,000,000
Share Premium	-	200,000,000	200,000,000
Revenue Losses	-	-	-487,729,789
		467,221,004	212,270,211
SHAREHOLDER'S FUNDS	-	232,778,996	212,270,211
Operating Income		278,088,284	87,205,782
Profit/(loss) For the year	-	20,508,785	-91,634,576



Pensions Alliance Limited			
	2011	2010	2009
	(N'000)	(N'000)	(N'000)
BALANCE SHEET			
ASSETS	504.400	4.40.450	07.000
Cash & Bank Balances Receivables and Other Assets	534,186	149,453	67,329
Deferred Tax Asset	434,517 17,634	270,173	90,140
Intangible Assets	6,125	87,586 5,142	151,059
Fixed Assets	173,690	93,636	81,746
=	1,166,152	605,990	390,274
-	1,100,102	000,000	030,214
CURRENT LIABILITIES			
Accounts Payable and Accruals	63,707	120,167	30,092
Borrowings	-	-	119,884
Deposit for Shares	351,000	_	5,311
Tax Payable	36,666	13,607	_
	451,373	133,775	155,287
NET ASSETS	714,779	472,216	234,987
		**	
CAPITAL AND RESERVES			
Share Capital	800,000	800,000	713,726
Statutory Reserve	56,829	26,508	7,639
Accumulated deficit	-142,050	-354,292	-486,377
SHAREHOLDER'S FUNDS	714,779	472,216	234,988
PROFIT/LOSS			
Operating Income	1,074,824	1,149,615	552,422
Profit/(loss) Before Tax	341,295	222,323	40,016
Tax	-98,732	-71,369	-17,597
	•		
Profit/(loss) After Tax	242,563	150,954	22,419
Earnings/(Loss) Per Share	30	19	3



Premium Pension Limited			
	2011	2010	2009
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash & Bank Balances	40,569	14,446	9,948
Deposits with banks	396,636	657,380	237,363
Deferred Taxation	_	-	30,086
Others assets	357,740	267,751	258,188
Fixed Assets	1,249,492	101,525	97,845
Intangible assets	10,802	15,887	6,345
	2,055,239	1,056,989	639,775
LIABILITIES			
Currents income tax	327,157	134,460	32,731
Deferred Taxation liability	100,551	20,099	0
Borrowings	1,465	3,585	5,705
Others assets	319,461	127,332	62,284
Retirement benefit obligations	0	5,564	4,856
	748,634	291,040	105,576
NET ASSETS	1,306,605	765,949	534,199
EQUITY			
Share Capital	597,387	597,387	597,387
Share Premium	156,900	156,900	156,900
Statutory Reserve	157,196	78,499	40,246
Retained Earnings	395,122	-66,837	-260,334
SHAREHOLDER'S FUNDS	1,306,605	765,949	534,199
Liebilities and Equity	2.055.220	4.056.000	620.775
Liabilities and Equity	2,055,239	1,056,989	639,775
Profit and Loss Account			
Income	2,172,073	1,536,673	1,050,737
Operating Expenses	-1,235,253	-1,047,205	-792,218
	936,820	489,468	258,519
Taxation	-307,245	-183,446	-152,963
Profit/(loss) After Tax	629,575	306,022	105,556
			-,
Earnings Per Share	105K	51K	18K



Sigma Pensions Limited			
	2011	2010	2009
	(N'000)	(N'000)	(N'000)
ASSETS			
Fixed Assets	532,505	173,964	145,505
Intangible Asset	3,025	1,286	
		0.4.000	-
Deferred tax asset	_	34,202	126,304
Investments	131,839	76,782	18,679
Cash & Bank Balances	266,367	698,332	381,785
Advances & Prepayments	684,140	461,183	328,970
Total Asset	1,617,876	1,445,749	1,001,243
LIABILITIES	178,105	474,685	342,700
NET ASSETS	1,439,771	971,064	658,543
1	.,	071,001	
CAPITAL AND RESERVES			
Share Capital	965,313	895,000	895,000
Share Premium	75,313	5,000	5,000
Transfer to Statutory Reserves	180,584	122,944	76,047
Accumulated Loss	218,561	-51,879	-317,505
SHAREHOLDER'S FUNDS	1,439,771	971,065	658,542
PROFT AND LOSS ACCOUNT			
Fund Management and Admin Fees	1,641,926	1,311,198	1,019,304
Others	56,381	36,223	51,530
Less Operating expenses	-1,073,827	-841,717	-728,727
Profit/(loss) Before Tax	624,480	505,704	342,107
Exceptional item - ICT levy	-6,245	-5,057	-3,421
Tax	-157,111	-125,475	128,203
Profit/(loss) After Tax	461,124	375,172	466,889
Earnings Per Share	0.48	0.39	0.52



Stanbic IBTC Pension Manager Lin	nited		
	2011	2010	2009
BALANCE SHEET	(N'000)	(N'000)	(N'000)
BALANCE SHEET			
ASSETS			
Cash & Cash Equivalents	4,628,031	3,797,493	2,749,051
Trade and Other Receivables	1,138,952	1,053,512	1,064,639
Long-term Investment	3,334,455	1,948,231	1,034,935
Property and Equipment	450,576	358,285	417,662
Intangible Assets	1,966	13,773	-
	9,553,980	7,171,294	5,266,287
CURRENT LIABILITIES			
Trade and Other Payables	1,555,866	1,361,223	943,784
Tax	1,412,423	1,073,440	801,714
Deferred Tax	70,638	54,491	62,945
Retirement Benefit Obligation	8,957	-	-
	3,047,884	2,489,154	1,808,443
NET ASSETS	6,506,096	4,682,140	3,457,844
CAPITAL AND RESERVES			
Share Capital	1,000,000	1,000,000	1,000,000
Reserves	1,173,765	3,682,140	2,457,844
Retained Earnings	4,332,331	-	-
SHAREHOLDER'S FUNDS	6,506,096	4,682,140	3,457,844
PROFIT AND LOSS ACCOUNT			
Gross Income	8,190,943	6,573,700	4,954,782
Operating Expenses	-3,462,559	-3,299,566	-2,482,338
Profit Before Tax	4,728,384	3,274,134	2,472,444
Tax	-1,404,428	-1,049,838	-807,708
Profit After Tax	3,323,956	2,224,296	1,664,736
Appropriation			
Transfer to Statutory Reserve	415,495	278,037	208,092
Transfer to Retained Earnings	2,908,461	1,946,259	1,456,644
	3,323,956	2,224,296	1,664,736
Earnings Per Share (basic)	332K	222K	235K
Earnings Per Share (adjusted)	332K	222K	165K



Trustfund Pensions PLC			
	2011	2010	2009
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash & Bank Balances	8,287	28,963	87,839
Others assets and prepayments	973,214	534,197	373,005
Short term Investments	671,676	667,131	1,238,892
Loans	157,827	241,267	207,583
Long term Investments	11,709	278,684	208,632
Fixed Assets	1,094,600	1,062,944	178,209
	2,917,313	2,813,186	2,294,160
CURRENT LIABILITIES			
Short term loan	530,650	644,566	227,667
Creditors and accrued expenses	348,944	341,718	402,001
Tax Payable	44,042	53,918	30,898
Take a gabie	923,636	1,040,202	660,566
NET ASSETS	1,993,677	1,772,984	1,633,594
CAPITAL AND RESERVES			
Share Capital	1,000,000	1,000,000	800,000
Statutory Reserve	233,470	189,347	162,423
Investment revaluation reserve	11,709	43,997	
Revenue reserve	748,498	539,640	671,171
SHAREHOLDER'S FUNDS	1,993,677	1,772,984	1,633,594
Profit and Loss Account			
Gross Earnings	2,119,850	1,735,191	1,614,693
Profit/(loss) Before Tax	545,954	311,331	452,612
Profit/(loss) After Tax	352,981	215,393	306,691
Earnings (loss)per share - kobo	35	27	38