

Annual Report



Vision and Mission

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 economic development of Nigeria.

Mission

We are an effective regulator and supervisor that ensure the safety of pension assets and adequate return on investment utilising appropriate technology, with highly skilled and motivated staff.

THE BOARD



Chief Oluwole A. Adeosun, FCA, OON



Mr. Muhammad K. Ahmad Director General



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



Alhaji Ali Abatcha Nigeria Union of Pensioners



Mr. Segun Oshinowo Nigeria Employers Consultative Association



Miss Eyamba T. Henshaw Commissioner (Technical)



Musa Al-Faki Securities & Exchange Commission



Dr. Sani Teidi Shuaibu Office of Head of Service of the Fed.



Dr. Musa A. Ibrahim Commissioner (Inspectorate))



P.A.H. Ataman Central Bank of Nigeria



Mr. Ivor Takor Nigeria Labour Congress



Mr. M.T. Mamman Commissioner (Inspectorate))



Mr. C.D. Gali Federal Ministry of Finance



Chinelo Anohu-Amazu Commission Sec./Legal Adviser

The Executive Committee





Mr. Muhammad K. Ahmad Director General

Prior to his appointment as the Director-General of the National Pension Commission (PenCom), Mr. Ahmad was the Director of Research and Information Technology at the Federal Inland Revenue Service (FIRS) on secondment from the Nigeria Deposit Insurance Corporation (NDIC). During his brief stint in FIRS, he participated in formulating the initial Tax Reform initiatives. Mr. Ahmad also coordinated the enactment of the Pension Reform Act, 2004 and the implementation framework for the Contributory Pension Scheme in Nigeria.

He was a pioneer staff of the NDIC where he was a Bank Supervisor and Director from 1989 to 2003. He served in various capacities including being a member of the Interim Management Board of the Corporation. While at the NDIC, he was associated with major regulatory and supervisory initiatives aimed at promoting the stability of the banking system. Mr. Ahmad was also seconded to the Central Bank of Liberia by the Nigerian government under the IMF programme

where, along with other experts, he assisted in reforming the Central Bank of Liberia.

A graduate of Accounting, Mr. Ahmad has attended many local and foreign courses. He had also facilitated at various seminars, workshops and conferences. He had written many scholarly articles and papers many of which were published in reputable local and international journals.



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

Mr. Akubueze, prior to his appointment as Commissioner and member of the Board of PenCom in 2004, was the Auditor-General for the Federation from 1998 to 2001. He joined the services of the Office of the Auditor-General for the Federation in 1970 and he had a distinguished career in that office.

A graduate of the University of Nigeria, Nsukka where he bagged the degree of B.Sc (Hons) in Accounting in 1970, Mr. Akubueze qualified as a Chartered Accountant in November, 1991. He attended several local and overseas courses including 3-month courses on Accounting and Finance for Developing Countries at the University of Strathclyde, Glasgow in 1978 and another one at the University of East Anglia, U.K. in 1982.

The Executive Committee (Continued)



Miss Eyamba Henshaw Commissioner (Technical)

Miss Eyamba T. Henshaw is a Chartered Accountant by profession who obtained her ACCA in 1981 in the UK. In the same year, she joined the renowned firm of Accountants, PriceWaterHouseCoopers London Office where she served till 1983 before she moved to their Nigerian Office.

In 1984, she commenced her banking career with the then Continental Merchant Bank Limited (formerly Chase Merchant Bank Ltd) where she served for nine (9) years in various capacities in all major departments of the bank.

In 1993, she set up a consultancy firm from where she was appointed the first female Accountant General of the Cross River State of Nigeria in 1999, a position she held until her current appointment as one of the pioneer Commissioners of PenCom in 2004.



Dr. Musa A. Ibrahim Commissioner (Inspectorate) Dr. Musa Ibrahim was an active member of the Committee that proposed the reforms in the Nigerian pension system including the introduction of the Contributory Pension Scheme. After the promulgation of the Pension Reform Act, 2004, he was appointed a Commissioner of PenCom to bring into effect the intent of the reform.

Until then, Dr. Musa Ibrahim was a staff of the Nigeria Deposit Insurance Corporation (NDIC) for over a decade. During his career at the NDIC, he served as the Chairman of Central Bank of Nigeria (CBN)/NDIC Technical Committee on Supervision from 2000 to 2004. In addition, he had a short stint as an Executive Director of a medium sized Commercial Bank under supervisory management. He was Secretary, Transitional Supervisory Board of eight (8) banks that were taken over by the CBN and NDIC for a period spanning three years. He had also participated as an expert in an IMF/World Bank Financial Sector Programme in Kenya in 2003.

Dr. Musa Ibrahim has a Ph.D (Finance) obtained in 1990 from Université de Droit et Gestim in France, DEA (Management) 1986 from L'IAE, Certificate de la Langue Française from Université de Grenoble 1985, MBA (1993) and B.Sc (Actuarial Science) 1980, from Ahmadu Bello University, Zaria.



Mr. M.T. Mamman Commissioner (Administration)

Mr. M.T. Mamman obtained a B.Sc degree in Business Administration in 1978 from the Ahmadu Bello University, Zaria specializing in Banking and Finance and an MBA in 1999 from the University of Navarra, Barcelona, Spain via the Lagos Business School. He is a member of the Chartered Institute of Bankers of Nigeria, Associate Member of the Chartered Institute of Management of Nigeria and a Fellow of the Institute of Credit Administration of Nigeria.

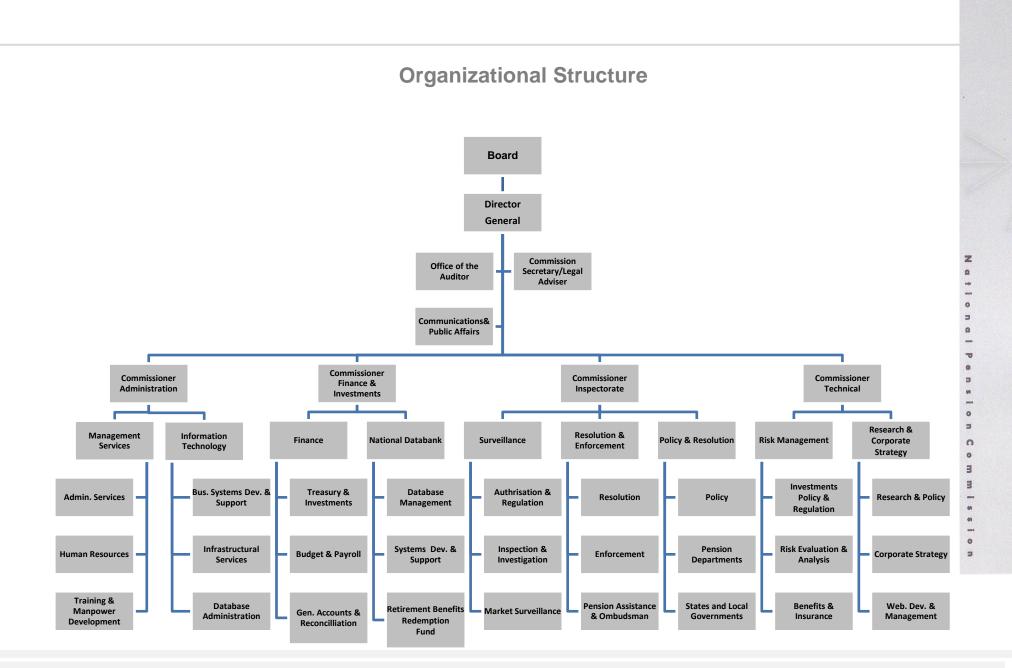
Mr. Mamman had twenty four years of banking experience prior to his appointment as Commissioner in PenCom in 2004. His banking career included employment with the then Trade Bank Plc, which he joined in 1990 and retired as an Executive Director in 2002. He also worked briefly with the then Habib Nigeria Bank Plc in 1989 after a very successful career with the then Bank of the North Ltd from 1978 to 1989.

He was the Commissioner for Planning and Budget and a member of the Executive Council of the Kwara State Government in 1983. Mr. Mamman had also previously served as a director of companies in both the public and private sectors.

Management Consultative Meeting Members

National Pension Commission

| Mr. Muhammad. K. Ahmad | Director General |
|------------------------|--|
| Mr. P. N. Akubueze | Commissioner (Finance & Investments) |
| Miss. E. T. Henshaw | Commissioner (Technical) |
| Dr. M. A. Ibrahim | Commissioner (Inspectorate) |
| Mr. M. T. Mamman | Commissioner (Administration) |
| Mrs. C. Anohu-Amazu | Commission Secretary/Legal Adviser |
| Mrs. A. I. Mustafa | Head (Management Services Department) |
| Mr. M. B. Umar | Head (Resolution & Enforcement Department) |
| Mrs. G. E. Usoro | Head (Policy & Regulation Department) |
| Mr. M. Y. Datti | Head (Surveillance Department) |
| Mr. M. O. Loyinmi | Head (Risk Management Department) |
| Mrs. E. B. Aikhomu | Head (National Databank Department) |
| Mr. I. O. Iyodo | Head (Finance Department) |
| Dr. D. Ndackson | Ag. Head (Information Technology Department) |
| Dr. B. Ardo | Ag. Head (communications & public Affairs Department) |
| Dr. U. F. Aminu | Ag. Head (Research & Corporate Strategy Department) |
| Mr. N.M. Zungwega | Head (internal Audit Department) |



ANNUAL REPORT vi

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Chairman's Statement

Chief Oluwole A. Adeosun, FCA, OON Chairman

It is with special gratitude to God Almighty that I present the first published Annual Report and Statements of Accounts of the National Pension Commission (PenCom) for the year ended December 2007. Since the enactment of the Pension Reform Act (PRA 2004), the pension industry in Nigeria has undergone a fundamental transformation and it will never be the same again.

National Pension Commission

PenCom, the regulatory authority of the new pension industry, has been working assiduously within the ambit of the PRA, 2004 to lay solid foundation for the industry through the establishment of a strong regulatory and supervisory framework that can stand the test of time. PenCom in this respect, during the last three and half years, undertook concrete practical steps in implementing the provisions of the PRA 2004 that included the issuance of operational guidelines, licensing of operators, registration of contributors, ensuring compliance with the provisions of PRA 2004 by employers as well as valuation of accrued pension rights of Federal Government employees and the remittance of these benefits into the Retirement Savings Accounts of employees that would retire from July 2007. PenCom has also through its regulatory and supervisory programme, ensured the safety, sound management and growth of pension assets.

In collaboration with other agencies of Government, including the Budget Office of the Federation, Office of the Accountant General of the Federation, Office of the Auditor General for the Federation and the various Pension Departments, PenCom has been coordinating the various efforts aimed at addressing the problems of the defunct defined benefit scheme of the Federal Government, especially the non-payment of arrears. The sum of N86 billion was released by the Federal Government for the settlement of the arrears of pension in the six Pension Departments.

I am confident that with the modest successes recorded by the new pension industry, the future of the Nigerian worker has been secured and the entire economy rejuvenated. With fully funded schemes being put in place, the worker is guaranteed to receive retirement benefits as and when due. Similarly, the pension industry would continue to generate a pool of long time investible funds that would facilitate the development of real sectors of the Nigeria economy.

I therefore recommend this report to all stakeholders and operators of the pension industry, captains of industry and all those interested in the welfare of the Nigerian worker and the Nigerian economy.

In conclusion, I want to use this opportunity to appreciate the commitment and dedication to duty of the Executive Management and staff of PenCom. The monumental achievements recorded thus far were mainly due to their selfless service and sterling qualities. The Board will strive to enhance their capacity for higher and sustainable productivity in the future.

Chief Oluwale A. Adeosun, FCA, OON



Director General's Statement

National Pension Co

Mr. Muhammad K. Ahmad Director General

I am pleased to highlight the developments in the Nigerian pension industry and the activities of the National Pension Commission (PenCom) for the period ended December 31, 2007. Being a maiden publication, an overview of the activities of PenCom and growth of the pension industry since inception will be covered.

The Pension Industry

Nigeria embarked on a major pension reform in 2004 as a consequence of the various problems inherent in the previous pension schemes that existed in both the public and the private sectors. The public sector operated the pay-as-you-go (PAYG) scheme, which became unsustainable due to inadequate budget provisions and low funding. This was exacerbated by increases in workers' salaries and emoluments and other attendant demographic shifts due to rising life expectancies that tended to elongate the pension obligations of the employers of labour. The consequence of the foregoing was the huge pension liabilities accumulated by the public sector. In the private sector, many employees were not covered by any form of pension scheme while most of those that were covered had their schemes unfunded. Indeed, those private sector schemes which hitherto existed were characterized by largely unregulated arrangements and were unwieldy as there were as many schemes as the number of employers. As a result, there was low compliance ratio which was further compounded by the absence of regulation and supervision by a government agency.

However, with the advent of the Pension Reform Act (PRA 2004), the pension industry witnessed improved developments on various grounds. The new pension scheme commenced with the licensing of pension fund operators in early 2006. As at the end of the year 2007, 36 licences were issued by PenCom to twenty five (25) Pension Fund Administrators, seven (7) Closed Pension Fund Administrators (CPFAs) and four (4) Pension Fund Custodians (PFCs). Similarly, eighteen (18) pension schemes established by various employers prior to the commencement of the Contributory Pension Scheme (CPS) were granted licences to continue as Approved Existing Schemes (AES).

By 31 December 2007, workers in the public and private sectors had opened 2,797,529 Retirement Savings Accounts (RSAs) with licensed PFAs. The membership of the CPFAs and the AES were 31,335 and 31,445 respectively. Also, many state governments were at various stages of implementing the scheme. Already, 695,622 civil servants from various states had opened RSAs with the PFAs.

The industry witnessed an inflow of contributions and transfer of assets from both the public and private sectors. In the public sector, the annual contributions had grown from N15.60 billion in 2004 to N80.63 billion in 2007. It grossed to N168.29 billion from commencement in July, 2004 up to December, 2007. Indeed, monthly contributions from the public sector to the pension industry averaged N5.61 billion in the period July, 2004 to December, 2007. The private sector had also contributed N91.34 billion into the RSAs since inception to 31 of December 2007.

The total pension fund assets in the industry was N815.18 billion in the custody of PFC's as at 31 December 2007. The breakdown of the total pension fund assets reveals that AES, RSA and CPFA accounted for N334.25 billion, N278.30 billion and N202.63 billion respectively. The bulk of the pension fund assets were invested in Federal Government of Nigeria securities, quoted stocks and domestic money market instruments.

PenCom coordinated the actuarial valuation of the accrued retirement benefits of employees in the service of the Federal Government of Nigeria (FGN) and Federal Capital Territory (FCT) for services they rendered up to June 2004 when the old scheme was terminated. The actuarially determined accrued retirement benefits as at 30th June 2004 amounted to ¥1.681 trillion (One Trillion Six Hundred and Eighty-one Billion Naira Only), which is the pension liability of the Federal Government that would be settled between 2007 and 2039. The accrued pension liabilities are being paid from the Retirement Bond Redemption Fund Account, which is being regularly funded by the Federal Government by remitting 5% of its total monthly wage bill into the account every month. The Account is being managed by the Central Bank of Nigeria (CBN) and had total receipts from inception to 31 December, 2007 of ¥53.00 billion out of which ¥8.9 billion was redeemed into the RSAs of employees who retired between July and December, 2007.

Regulatory and Supervisory Framework

PenCom had in the past three and half years focused on establishing a sound and credible regulatory and supervisory framework for the industry. A number of regulatory and supervisory measures were taken which include the development and automation of returns rendition by operators on daily, monthly and annual basis; development of risk based supervision framework; and the issuance of Guidelines, Regulations and Circulars. During the year, PenCom undertook the maiden risk-based supervision of licensed operators in line with its regulatory and supervisory philosophy that was open, transparent, and consultative; albeit with zero tolerance for any infraction. Licensed operators were closely supervised including daily monitoring of investment of pension assets by the PFAs. As part of the supervisory philosophy of being consultative, a Stakeholders' Forum continued to meet monthly to review developments and consider policy matters affecting the industry as well as discussing issues that would promote and guarantee the safety and soundness of the pension industry.

Other Activities of PenCom

In 2007, PenCom was involved in collaborative activities with the Central Bank of Nigeria (CBN), Debt Management Office (DMO), Securities and Exchange Commission (SEC), Federal Inland Revenue Service (FIRS), National Insurance Commission (NAICOM), Bureau for Public Enterprises (BPE), Nigeria Accounting Standards Board (NASB) and the Nigerian Stock Exchange (NSE). The collaborative activities were on issues that cut across the jurisdictions of these regulatory/supervisory agencies such as tax and transaction costs; issuance of guidelines and regulations especially in the areas of life insurance policy as provided in the PRA, 2004; promotion of the development of the Bond Market; as

well as the Financial System Strategy (FSS) 2020. PenCom had also participated in many Inter-Ministerial Committees on various aspects of the reform programme of Government.

Future Outlook

Notwithstanding the modest progress made to implement its mandate, PenCom had to contend with many challenges. First, despite the efforts to educate the public about the new scheme, many Nigerian workers and employers are yet to understand and appreciate the benefits of the scheme. As a result, ensuring compliance and expanding the scheme to the informal sector which employed majority of workers in Nigeria had been slow. Second, there was absence of acceptable investment instruments which the huge pool of long-term investible funds could be invested in. Thirdly, availability of adequate personnel with the requisite skills in the industry had remained a major challenge.

With a stable and predictable macroeconomic environment and growing acceptance of the scheme, the long term outlook of the pension industry is quite promising. We expect that many workers and employers, especially in the informal sector would join the new scheme. PenCom would pursue and overcome these challenges with all the available resources of a technically skilled management that was resourceful, committed, dedicated and loyal to the course of its mandate.

In the coming year, PenCom would draw a medium and long term strategy plan consistent with reform initiative tailored to meet the requirements of the Seven-Point Agenda of Government. It would also improve on its service delivery standards and framework, intensify public education to seek further voluntary compliance as well as promote capacity building in the pension industry.

Appreciation

Let me acknowledge the invaluable contributions of our Chairman, Chief O.A. Adeosun, FCA, *OON* and other members of the Board of PenCom. They had ensured that PenCom exercised the highest standard of corporate governance and commitment to its mandate. I would also recognize the tremendous contributions of our pioneer Chairman, Mr. Fola Adeola, *OFR*. Mr. Adeola had offered his services ex gratia to our dear nation to ensure the formulation and the effective implementation of the pension reform. He had sacrificed his time and resources to the reform in the interest of the Nigerian worker. Indeed, PenCom remains eternally grateful for his immense contributions.

Our employees are our most important resource. The staff had remained dedicated and committed to ensuring that PenCom meets its set targets. I therefore, salute the Management and the entire staff for making the country proud in the implementation of pension reform that met international best practices. No doubt the Management would continue to motivate and galvanize the entire staff for higher productivity. Despite the modest achievements so far attained, there is room for the entire workforce to improve and achieve even higher goals.

Through its membership of the International Organisation of Pension Supervisors (IOPS), PenCom has benefited from its resources and regulatory standards and best practices. Finally, I would like to acknowledge the support and collaborative efforts PenCom enjoyed with other regulatory authorities in the financial services industry, members of the Senate and House Committees that supervise pension matters through their oversight functions, our social partners and other stakeholders.

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Muhammad K. Ahmad

Table of Contents

| Corporate Vision and Mission Members of the Board Management Consultative Meeting Members Organizational Structure Official Contact Details Chairman's Statement Director General's Statement List of Tables and Figures List of Abbreviations and Acronyms | | i v vi vii viii ix xvi xvii |
|---|---|--|
| PART ONE: | THE CONTRIBUTORY PENSION SCHEME | 1 |
| 1.0 1.1 1.2 1.3 1.4 1.5 | Rationale for the Scheme Objectives of the Scheme Nature of the Scheme Transitional Arrangements 1.4.1 Pension Departments 1.4.2 Accrued Pension Benefits 1.4.3 Retirement Benefit Bond Redemption Fund 1.4.4 Existing Private Pension Schemes Workings of the Scheme 1.5.1 Opening Retirement Savings Account 1.5.2 Rights of Employees 1.5.3 Safeguards for the Scheme Establishment of the National Pension Commission | 1 2 2 3 3 4 4 5 5 5 6 7 7 8 |
| PART TWO | OPERATIONS OF THE NATIONAL PENSION COMMISSION | 9 |
| 2.0 2.1 2.2 2.3 | | 9 9 10 10 10 11 11 12 12 12 12 12 13 13 |

Pages

| | | 2.3.5 Research and Corporate Strategy Department | 13 |
|------|-------|---|----|
| | | 2.3.6 Management Services Department | 13 |
| | | 2.3.7 Information Technology Department | 14 |
| | | 2.3.8 Finance Department | 14 |
| | | 2.3.9 National Databank Department | 14 |
| | | 2.3.10 Surveillance Department | 15 |
| | | 2.3.11 Resolution and Enforcement Department | 15 |
| | | 2.3.12 Policy and Regulation Department | 15 |
| | | 2.3.13 Establishment of SERVICOM | 16 |
| | | 2.3.14 Sensitisation Seminars/Workshops and Public | |
| | | Enlightenment | 16 |
| | | 2.3.15 Joint Committee on Privatised Companies | 16 |
| | | 2.3.16 Collaboration with National Accounting Standards Board | |
| | | (NASB) on the Production of Accounting Standards for | |
| | | the Pension Industry | 16 |
| | | 2.3.17 Bond Steering Committee | 17 |
| | | 2.3.18 Presidential Committee on Affordable Housing | 17 |
| | | 2.3.19 Financial Services Regulation Coordinating Committee | 17 |
| | 2.4 | Memberships of Professional Organisations | 17 |
| PART | THREE | : STATEMENT OF ACCOUNTS | 18 |
| | 3.0 | Statement of Accounts as at 31 December, 2007 | 18 |
| | 3.1 | Auditors' Report | 18 |
| | 3.2 | Statement of Income and Expenditure | 22 |
| | 3.3 | Statement of Assets and Liabilities | 23 |
| | 3.4 | Statement of Cash Flows | 24 |
| | | Notes to the Financial Statements | 25 |
| | 3.6 | Statement of value added | 30 |
| | 3.7 | Three Year Financial Summary | 31 |
| PART | FOUR: | THE PENSION INDUSTRY | 32 |
| | | | |
| | | Introduction | 32 |
| | | Issuance of Licences | 32 |
| | 4.2 | Registration of Contributors | 33 |
| | | 4.2.1 Membership of PFAs | 33 |
| | 1.0 | 4.2.2 Membership of CPFAs and AES | 35 |
| | 4.3 | Contributions | 35 |
| | | 4.3.1 Remittance of Contributions of FGN Employees into RSAs | 37 |
| | 4 4 | 4.3.2 Contributions of Private Sector Employees into RSAs | 37 |
| | 4.4 | Investment of Pension Funds | 37 |
| | | 4.4.1 Industry Portfolio | 37 |
| | | 4.4.2 RSA Portfolio Analysis | 38 |
| | | 4.4.3 CPFA Portfolio Analysis | 40 |
| | | 4.4.4 AES Portfolio Analysis | 41 |
| | | 4.4.5 Pension Fund Investments and Domestic Quoted Equities | 42 |

4.5 Costs and Investment Return on Pension Assets

| | 4.5.1 Costs to Pension Funds | 43 |
|------|------------------------------|----|
| | 4.5.2 Return on Investment | 44 |
| PART | FIVE: PENSION FUND OPERATORS | 46 |
| 5.1 | Contact Details of Operators | 47 |
| 5.2 | Profile of Operators | 52 |

43

List of Tables and Figures

P

ension Commission

National

Titles

| Table 1.1: The Six Pension Departments | 4 |
|--|----|
| Table 4.1: Licences Issued and Approvals Granted | 32 |
| Table 4.2: RSA Registrations in 2007 | 34 |
| Table 4.3: Membership of CPFAs in 2007 | 35 |
| Table 4.4: Membership of AES in 2007 | 35 |
| Table 4.5: Public Sector Contributions | 36 |
| Table 4.6: Private Sector Contributions | 36 |
| Table 4.7: Portfolio of Total Pension Assets Under Management | 38 |
| Table 4.8: Cumulative Quarterly RSA Assets Portfolio in 2007 | 39 |
| Table 4.9: Quarterly Growth of RSA Funds | 40 |
| Table 4.10: Cumulative Quarterly CPFA Portfolio in 2007 | 41 |
| Table 4.11: Quarterly Aggregate AES Assets Portfolio in 2007 | 42 |
| Table 4.12: Pension Fund in Domestic Quoted Equity in 2007 | 43 |
| Table 4.13: Charge to Pension Fund Assets as Percent of Scheme NAV | 44 |
| Table 4.14: Average Gross Rate of Return on RSA Fund in 2007 | 45 |
| | |
| | |

| Figure 1: RSA Registration in 2007 | 33 |
|------------------------------------|----|
| Figure 2: RSA Registration in 2006 | 33 |

List of Abbreviations and Acronyms

National Pension Commission

| AES AFIS BPE CAC CBN CPFA CPS DB DMO FAQ FDI FSRCC FSS IAIS ICT IMF ISSA LAN MDA MIS MSC MSU NAV NAICOM NAV NAICOM NASB NDB NECA NHIS NITEL NLC NSITF OECD OHSF OPS PAYG PenCom PFA PFC PIN PRA 2004 RFP RSA SDK SEC | Approved Existing Scheme Automated Fingerprint Identification System Bureau of Public Enterprises Corporate Affairs Commission Central Bank of Nigeria Closed Pension Fund Administrator Contributory Pension Scheme Defined Benefit Debt Management Office Frequently Asked Questions Foreign Direct Investment Financial Services Regulation Coordinating Committee Financial System Strategy International Association for Insurance Supervisors Information and Communication Technology International Association for Insurance Supervisors Information and Communication Technology International Social Security Association Local Area Network Ministries, Departments and Agencies Management Information System Ministerial SERVICOM Committee Ministerial SERVICOM Committee Ministerial SERVICOM Unit Net Asset Value National Insurance Commission Nigerian Accounting Standards Board National Data Bank Nigeria Employers Consultative Association National Health Insurance Scheme Nigeria Social Insurance Trust Fund Organisation for Economic Co-operation and Development Office of the Head of Service of the Federation Organised Private Sector Pay-As-You-Go National Pension Commission Pension Fund Administrator Pension Fund Administrator Pension Fund Administrator Pension Fund Administrator Pension Fund Administrator Pension Reform Act, 2004 Request for Proposal Retirement Savings Account Software Development Kit Securities and Exchange Commission |
|---|---|
| RSA SDK | Retirement Savings Account Software Development Kit |

PART ONE:

THE CONTRIBUTORY PENSION SCHEME

1.0 The Contributory Pension Scheme

1.1 Rationale for the Scheme

Pension reform in Nigeria was necessitated by many problems confronting both the public and private sectors pension schemes. The public sector operated largely the Pay-As-You-Go scheme, which depended on budgetary provisions from various tiers of government for funding. Under the PAYG, which was also a Defined Benefit (DB) scheme, contributions were not generally made, and projections were required to be made of the pension entitlements of each employee by the employer, with such projections being determined by the employee's years of service and earnings. Thus, the pension obligations were effectively the debt obligation of the employer. The scheme became unsustainable due to lack of adequate and timely budgetary provisions and increases in salaries and pensions. Even where adequate budget provision was made the scheme was not generally funded. There was also demographic shift due to rising life expectancy, which was a phenomenon that elongated the pension obligations of various tiers of government in the country.

Most of the private sector schemes were akin to Provident Fund Schemes, which did not provide for periodic benefits. Even at that, many private sector employees were not covered by any form of pension scheme. The schemes had been characterized by diversified arrangements that were largely unregulated. The number of pension schemes became unwieldy as there were almost as many schemes as the number of employers that managed them. In addition, prior to the commencement of the CPS in 2004, there was very low compliance ratio due to absence of regulation and supervision of the system.

At best, pension administration in both public and private sectors had been grossly underfunded, weak, inefficient, less transparent and cumbersome. In that abysmal state, it became logical to contemplate a scheme that would meet the yearnings of workers and pensioners.

1.2 Objectives of the Scheme

The reform in the Nigerian pension system was embarked upon with the following main objectives:

- (i) Ensure that every retiree receives his/her retirement benefits as and when due;
- (ii) Empower the worker to decide which licensed Pension Fund Administrator should manage his/her pension assets;
- (iii) Assist workers to save in order to cater for their livelihood during old age with a view to reducing old age poverty;
- (iv) Establish uniform rules, regulations and standards for administration of pension matters in Nigeria; and
- (v) Establish a strong framework for regulating and supervising the pension industry.

1.3 Nature of the Scheme

The Contributory Pension Scheme (CPS) was established under Section 1 (1) of the Pension Reform Act 2004 (PRA 2004) for employees in both the public and private sectors. Under the scheme, each employee and employer contribute a minimum of 7.5% of the employee's monthly emoluments but in the Military, an officer contributes 2.5% while the employer contributes 12.5%. An employer may elect to contribute on behalf of the employees provided that the total contribution shall not be less than 15% of the monthly emoluments of the employees. The scheme allows for voluntary contributions to be made by employees (including those exempted by the Act) that could only be taxed at the point of withdrawal where the withdrawal was made before five years from the date the first voluntary contribution was made.

In addition to the employer contributions, they are required to maintain Life Insurance Policy in favour of each employee for a minimum of three times the total annual emolument of the employee as highlighted in Section 9(3) of the PRA 2004.

The scheme is fully funded, meaning that the contribution of an employee is deducted monthly from the employee's salary while the employer will provide the counter-part contribution for the employee, which will both be transferred to the relevant retirement savings account. By so doing, the pension assets are set aside from the onset to meet future pension liabilities.

Each employee is required by law to open a '*Retirement Savings Account*' (RSA) in his name with a Pension Fund Administrator (PFA) of his choice. This individual account belongs to the employee and will remain with him for life even if he/she changes employers or PFA.

An employee could withdraw a lump sum of 25% of the balance standing to the credit of his/her RSA provided that he/she is less than 50 years at the time of retirement and he could not secure a new employment six months after leaving the last employment. Similarly, he/she can withdraw a lump sum amount if he is 50 years or above at the time of retirement and the amount remaining after the lump sum withdrawal shall be sufficient to procure an annuity for life or fund programmed withdrawals that will produce an amount not less than 50% of his monthly remuneration as at the date of his retirement.

The balance after lump sum payment would be applied in a programmed periodic withdrawal or to purchase an annuity for life through a licensed life insurance company with periodic payments. However, periodic withdrawals can only be made at the age of 50 years or upon retirement thereafter.

As from the commencement of the PRA 2004, only licensed PFAs and CPFAs are mandated to manage pension fund assets. However, only licensed PFCs should have custody of pension fund assets.

The PRA 2004 requires that all workers in the Public Service of the Federation and the Federal Capital Territory (FCT), and workers in the private sector where the total number of employees is five (5) or more in a company should join CPS. However, as at 1 July 2004, all existing pensioners and workers that had three years or less to retire in accordance with the terms of their contract of employment are exempted from the scheme. The transition period lapsed on 30 June, 2007 as any worker retiring after that date would do so under the new scheme. Also exempted from the CPS are judicial officers appointed to the Supreme Court or Court of Appeal as highlighted under Section 291 of the Constitution of the Federal Republic of Nigeria.

The National Pension Commission (PenCom) is the sole regulator and supervisor of the CPS and other pension matters in Nigeria.

1.4 Transitional Arrangements

1.4.1 Pension Departments

The PRA 2004 established six Transitional Pension Departments in the public sector to continue to administer the pension issues of this category of employees and existing pensioners. The six departments which are being supervised by PenCom are listed in Table 1.1.

| Table 1.1: The Six Pension | Departments |
|----------------------------|-------------|
|----------------------------|-------------|

| S/N | Pension Department | Pension Board |
|-----|----------------------------------|--|
| 1 | Civil Service Pension Department | Formerly Civilian Pension Board (under the |
| | | Office of the Head of Service of the Federation) |
| 2 | Military Pension Department | Formerly Military Pension Board |
| 3 | Police Pension Department | Formerly Police Pension Board |
| 4 | Customs, Immigration and Prison | Customs, Immigration and Prison Pension |
| | Pension Department | Office |
| 5 | Security Agencies Pension | Department of State Services & Nigeria |
| | Department | Intelligence Agency |
| 6 | FCT Pension Department | Formerly FCT Pension Board |

The responsibilities and assets of all existing Pension Boards or Offices have been transferred and vested in the relevant departments. These departments shall cease to exist after the death of the last exempted pensioner.

1.4.2 Accrued Pension Benefits

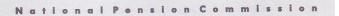
Every employee working in the Public Service of the Federation and the FCT, where the pension schemes were unfunded, is entitled to some accrued pension benefits (pensions and gratuities) based on the service rendered prior to the commencement of the CPS. Already, PenCom had completed the computation of these benefits and bonds would be issued to all qualified employees to the tune of their accrued benefits. This bond, which is recognition of government indebtedness to the employees is nontradable and would only be due and payable on retirement.

1.4.3 Retirement Benefit Bond Redemption Fund

A fund known as the *Retirement Benefit Bond Redemption Fund* has been established by the government and is being maintained and managed by the Central Bank of Nigeria (CBN). The Federal Government had been paying into the fund an amount equivalent to 5% of the total monthly wage bill payable to employees in the public service of the Federation, parastatals, other bodies of the Federal Government and the military but excluding self-funding agencies of the Federal Government. The total amount in this fund would be used to redeem any retirement benefit bonds issued. Payments into this fund would cease after all retirement benefit bonds had been redeemed.

1.4.4 Existing Private Pension Schemes

Pension schemes in the private sector and the self-funding public establishments already in existence would continue to exist provided:



- i. They could demonstrate that they are fully funded at all times and any shortfall to be made up within 90 days;
- ii. Assets of the company should be fully segregated from the pension fund assets;
- iii. Pension fund assets should be held by a PFC; and
- iv. Existing employees should be given the option to join the CPS.

The pension scheme if approved, may retain all its existing investments but subsequent investments shall be subject to the regulations and rules issued by PenCom.

Any employer that had a fully funded existing pension scheme with assets of \$500 million and above was allowed to apply to PenCom for a licence as a CPFA in order to manage such funds directly or through a wholly owned subsidiary dedicated exclusively to the management of such pension fund assets. The company must, however, possess the requisite capacity for the management of pension fund assets and show that it had managed its pension scheme effectively for at least five (5) years before the commencement of the CPS. On issuance of the licence, PenCom will supervise and regulate the activities of the CPFA .

1.5 Workings of the Scheme

1.5.1 Opening Retirement Savings Account

Every employee is required by the PRA 2004 to open an RSA with the PFA of his/her choice. It is illegal for employers to coerce employees to open RSA with PFAs specified by the employer.

Employees are required to provide their individual personal information in a registration form to be issued by the chosen PFA. The personal information shall include personal profile and employment records of the respective employee. Similarly, photograph, thumb print and signature are required as marks of identification in order to clearly distinguish between employees. PenCom issues Personal Identification Numbers (PIN) to registered employees through their PFAs. The PFA will in turn supply details of the account where the employee's monthly contributions will be credited. A copy of these details is sent to the employer.

1.5.2 Rights of Employees

Every employee has the following rights under the CPS:

- (i) Right to select his/her PFA;
- (ii) Right to be given statement of account on quarterly basis and on demand;
- (iii) Right to change his/her RSA from one PFA to another once in a year;
- (iv) Right to appoint his/her next of kin;
- (v) Right to customer support from the PFA; and
- (vi) Right to lodge complaints with PenCom on issues that cannot be resolved with the PFA.

1.5.3 Safeguards for the Scheme

The success of the pension reform is hinged on the availability of pension fund assets to contributors when they retire. There are a number of strict provisions contained in the PRA 2004 and in the guidelines and regulations issued by PenCom with the main objective of protecting the pension fund assets.

The first safeguard is the separation of the functions of the PFA and PFC such that it is difficult for either to misuse the pension fund assets to the detriment of the contributor. Contributions are remitted directly by the employer to the PFC. On the other hand, the PFC would not invest the pension assets except to the instruction of the PFA. In addition, shareholders of a PFC must issue guarantee to the full sum and value of the pension assets held by it or to be held by it. Also, pension assets held by a PFC shall not be used to meet the claim of any of the PFC's creditors in the event of its liquidation. Similarly, such assets shall not be seized or subject to execution of judgment debt or stopped from being transferred to another PFC. Furthermore, the PFC shall not sell, grant loan or use the pension fund assets as collateral.

Government contribution shall be a charge on the Consolidated Revenue Fund of the Federation. In the event of default by the Federal Government in the payment of contribution, the PRA 2004 has empowered PenCom to direct the Accountant General of the Federation to deduct the amount due as contribution at source.

PenCom regulations require that investment of pension fund can only be made on the floor of a recognized Stock Exchange or a money market platform approved by the CBN or Money Market Association of Nigeria. All instruments should have rating grades stipulated in the Investment Regulations issued by PenCom before pension fund is invested in them.

All pension fund operators must fully comply with the provisions of the PRA, 2004 as well as all guidelines and regulations issued by PenCom. Compliance officers are employed by PFAs and are responsible for ensuring compliance with the provisions of the PRA 2004 as well as the internal rules and regulations of the particular PFA.

PenCom can apply sanctions on any operator, its agent or the Compliance Officer for non-compliance. Sanctions could either be on conviction in court or administrative or both and could range from N250,000 to N10 million as well as from 3 to 10 years imprisonment or both fine and imprisonment depending on the magnitude of the offence. To this effect, all activities of the pension fund operators and their agents should be transparent. PFAs and PFCs are also required by law to publish their audited accounts annually in a national newspaper.

1.6 Establishment of the National Pension Commission

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. PenCom ensures that pension fund assets are safe through effective licensing, approving and regulating the pension fund operators and the pension industry. Similarly, PenCom issues Guidelines and Regulations for regulating and supervising the investment and other activities of pension fund operators and the pension industry.

Under the CPS, PenCom as the apex regulator of pension matters shall receive and investigate any complaint of impropriety levelled against any pension fund operator or employer or any of their staff or agents. PenCom stands as a watchdog, with the overriding objective of ensuring that all pension matters are administered with minimum exposure to fraud and risk.

1.7 Pension Fund Operators

There are basically three types of pension fund operators, namely: Pension Fund Administrators (PFAs), Pension Fund Custodians (PFCs) and Closed Pension Fund Administrators (CPFAs). Also, there are Approved Existing Schemes (AES) which are basically pension schemes established by private sector and self funding public organisations prior to the commencement of the CPS and which have been approved by PenCom to continue. AES are managed by licensed PFAs and thus, their assets are transferred to licensed PFCs for custody.

1.7.1 Functions of the Pension Fund Administrators

Functions of PFAs are stipulated in Section 45 of the PRA 2004 and they are as follows:

- (i) Open Retirement Savings Account (RSA) for all employees with a Personal Identity Number (PIN) attached;
- (ii) Invest and manage pension fund assets in accordance with the provisions of the PRA 2004;
- (iii) Maintain books of account on all transactions relating to pension fund assets under its management;
- (iv) Provide regular information on investment strategy, market returns and other performance indicators to PenCom and employees or beneficiaries of the RSA;
- (v) Provide customer service support to employees, including access to employees' account balances and statements on demand;
- (vi) Cause to be paid retirement benefits to employees, including access to employees' account balances and statements on demand;
- (vii) Be responsible for all calculations in relation to retirement benefits; and
- (viii) Carry out other functions as may be directed, from time to time, by PenCom.

As provided under Section 40 (3) of the PRA 2004, a CPFA will perform the same functions as stipulated for PFAs under Section 45 of the Act. In addition, the pension fund assets managed by the CPFA must be transferred to a PFC. AES on the other hand are viable pension schemes in the private sector and self-funding public institutions existing before the commencement of the CPS who may continue to exist provided they satisfy the conditions as provided in Section 39 of the PRA 2004. AES pension funds are managed by PFAs.

1.7.2 Functions of the Pension Fund Custodians

Functions of PFC are stipulated in Section 47 of the PRA 2004 and are itemised hereunder:

- (i) Receive the total contributions remitted within seven (7) days of pay day by the employer under Section 11 of the PRA 2004 on behalf of the PFA;
- (ii) Notify the PFA within 24 hours of the receipt of contributions from any employer;
- (iii) Hold pension fund assets in safe custody on trust for the employee and beneficiaries of the RSA;
- (iv) On behalf of the PFA, settle transactions and undertake activities relating to the administration of pension fund investments, including the collection of dividends and related activities;
- (v) Report to PenCom on matters relating to the assets held by it on behalf of any PFA at such intervals as may be determined from time to time by PenCom;
- (vi) Undertake statistical analysis on the investments and returns on investments with respect to pension fund assets in its custody and provide data and information to the PFA and PenCom; and
- (vii) Execute in favour of the PFA relevant proxy for the purpose of voting in relation to the investments.

PART TWO: OPERATIONS OF THE NATIONAL PENSION COMMISSION

2.0 Introduction

The National Pension Commission (PenCom) was established by the PRA 2004 as the apex and sole regulatory and supervisory agency on pension matters in Nigeria. The Board of PenCom was inaugurated in December 2004 and immediately commenced setting up structures and framework for effective discharge of PenCom's statutory responsibilities.

Consequently, applications were received from interested organisations for licences to operate as PFAs, PFCs and CPFAs. Similar applications were also received from some private and self-funding public organisations seeking for approval to continue with their existing schemes. The first set of licences were issued in January, 2006 and registration of contributors by PFAs commenced in February, 2006.

2.1 Regulatory and Supervisory Activities of PenCom

2.1.1 Regulatory and Supervisory Framework

The regulatory and supervisory roles of PenCom can be categorized in four ways, namely: Policy and Regulation; Surveillance; Resolution and Enforcement; and Risk Management.

Policy and Regulation involves development of policies, regulations and guidelines for the smooth functioning of the pension industry.

Surveillance entails supervising the licensed operators through on-site and off-site inspections. The off-site function involves periodic evaluation of the financial condition and performance of licensed operators through the analysis of statutory returns/reports received from them and their external auditors. On-site supervision on the other hand entails physical inspection and review of books and records of the licensed operators to determine compliance with the provisions of the PRA, 2004 and Guidelines issued by PenCom from time to time; verifying the accuracy of returns/reports rendered to PenCom; and appraise those areas that cannot be adequately carried out through off-site surveillance. The surveillance function was undertaken through risk-based supervision approach, which includes an appraisal of risk management systems of the licensed operators.

The Resolution and Enforcement function focuses on ensuring compliance with the law, rules and guidelines by both operators and employers.

Risk management on the other hand, entails the oversight functions of PenCom over the investment of pension fund. The investment of pension fund in RSA accounts was being reported daily (in addition to monthly report to PenCom by PFAs) while AES and CPFAs rendered monthly returns. This avails PenCom the opportunity of monitoring pension fund investments to ensure compliance with stipulated rules and regulations as well as take prompt corrective actions where the need arises.

The National Databank function entails the regulation of regulation of registration of the contributors, generation and issuance of PINs. It also ensures that the contributions of FGN employees are remitted into their respective RSAs. Similarly, it ensures that accrued benefits of FGN employees are correctly computed and remitted into their RSAs. In addition, database of registered contributors is updated and payment of contributions by all employers is regularly monitored.

2.1.2 Regulatory and Supervisory Philosophy

PenCom adopted a regulatory and supervisory philosophy that is open, transparent, and consultative, albeit with zero tolerance for any infraction.

2.1.3 Examination of Licensed Pension Fund Operators

PenCom undertook the maiden examination of the four licensed PFCs and 13 PFAs licensed in 2006. In addition, maiden examination was conducted on eight of the twelve PFAs licensed in 2007. Similarly, one CPFA was each examined in 2006 and 2007. Thus, between 2006 and 2007, maiden examinations of 21 out of the 25 licensed PFAs and 2 out of the 4 CPFAs were carried out. The examinations were conducted using risk-based supervision method. It covered company operations, ICT facilities, pension administration, investment management, risk management, performance measurement and internal controls. In addition, for the PFCs, the examination covered collections, safekeeping, settlement, corporate action, fund accounting, performance measurement and internal control.

In the reporting period, special investigations were also carried out on two PFAs with respect to some corporate governance problems. Penalties were as well imposed on three licensed operators for either violating some provisions of the PRA 2004 or some regulations issued by PenCom.

2.1.4 Compliance by Public and Private Sectors

Implementation in the public sector was mainly by Federal Government and her institutions. The implementation commenced in July 2004, immediately after the PRA 2004 was signed into law, with Federal Government deducting and remitting both employer and employees' pension contributions into a dedicated account maintained with the CBN. However, the National Council of States at its meeting of July 2006 resolved to adopt the CPS for all the states of the Federation. To this end, PenCom developed a Model State Pension Law for State Governments to consider and modify to suit their peculiarities. As at 31 December 2007, eight states had passed the Pension Laws while eighteen states were at various stages of implementation.

There were 9,847 private sector employers that started implementing the scheme as at 31 December, 2007. Implementation of the CPS in the private sector was very low compared to the public sector. This could be attributed to the misconceptions and scepticisms about the scheme in addition to inadequate awareness campaigns targeted at the private sector at the initial stage of implementing the scheme.

Nonetheless, monitoring of the major companies has commenced to ensure full compliance with the provisions of the PRA 2004.

2.1.5 Pension Operators' Forum

In line with PenCom's supervisory philosophy of being consultative, a Stakeholder's Forum which is meant to foster greater understanding between PenCom and the operators in the industry was instituted. The Forum's membership comprised of the Executive Committee members and Heads of Operational Departments of PenCom as well as the Chief Executive Officers (CEO) of the Pension Operators. The Forum meets monthly with the main objectives of consulting members on policy matters affecting the industry as well as discussing issues that would guarantee the safety and soundness of the pension industry.

2.1.6 Guidelines and Regulations

In order to guide the operators and ensure consistency and uniformity in their operations, PenCom had so far prepared and issued the following Guidelines, Regulations, Circulars and Frameworks:

- i) Guidelines for Application for Licences to Operate as Pension Fund Administrator and Pension Fund Custodian;
- ii) Guidelines for Life Insurance Policy for Employees;
- iii) Guidelines for the Appointment to Board and Top Management Positions of Pension Fund Administrators and Pension Fund Custodians;
- iv) Guidelines for the Operations of Pension Fund Administrators;
- v) Guidelines for the Operations of Pension Fund Custodians;
- vi) Guidelines for Transitional Arrangements to ensure smooth transition to the CPS in accordance with PRA, 2004;
- vii) Guidelines for the Appointment of Pension Fund Administrators and Custodians for Existing Pension Schemes;
- viii) Guidelines for the Publication of Rates of Return on RSA Funds by Pension Fund Administrators;
- ix) Regulations on Fees Structure;
- x) Regulations on Investment of Pension Fund Assets;
- xi) Regulations on Valuation of Pension Fund Assets;
- xii) Regulation on the Administration of Retirement and Terminal Benefits;
- xiii) Circular on Appointment of PFC by PFA;
- xiv) Circular on Exemptions under the CPS;
- xv) Circular on On-line Registration by Employees;



- xvi) Circular on Opening RSA with PFAs;
- xvii) Circular on the Appointment of Pension Fund Custodians; and
- xviii) Framework for Divestment of Pension Fund Assets.

All issued Guidelines and Regulations are available at PenCom's website.

2.2 Determination and Payment of Accrued Pension Benefits

Employees of the FGN are entitled to accrued pension benefits (gratuity and pension) for the services they rendered prior to June 2004 when the PRA, 2004 was signed into law. The accrued retirement benefits, which amounted to ¥1.681 trillion, had been determined for 774,305 qualified FGN employees. The Federal Government had established a revolving fund called the Retirement Bond Redemption Fund Account, which is being maintained by the CBN, and has been remitting 5% of its total monthly wage bill into the fund towards defraying this liability. As at the end of December 2007, the Federal Government had remitted ¥53.0 billion into the Account out of which the sum of ¥8.92 billion was remitted into the RSAs of 1,165 Federal Government employees that retired from July 2007 to December, 2007. A balance of N44.07 billion was left in the account as at 31 December, 2007.

2.3 Other Activities of PenCom

2.3.1 Office of the Commission Secretary/Legal Adviser

In 2007, the Office of the Commission Secretary/Legal Adviser covered meetings of the Board, the Committees of the Board and the Management Consultative Meeting of PenCom. It also provided, on a regular basis, legal and advisory support to all divisions on issues related to coverage of the scheme, clarifications on access to RSA, compliance issues, drafting and/or vetting of agreements and other legal instruments between PenCom and its vendors and operators. The Department also provided legal support to State Governments through the review of their respective draft pension legislations. This was with a view to guiding the states on appropriate legal and institutional frameworks that would ensure viable pension reform in the States.

2.3.2 Internal Audit Department

During the year, the Internal Audit Department conducted compliance tests and reviewed the activities of PenCom on the basis of which recommendations were made to Management on areas that required improvement. The Department carried out quarterly stock taking exercises as well as monitored the security systems put in place with a view to ensuring that the assets of PenCom were not at undue risk.

In order to ensure that remittances into RSA were correctly made, the Department verified the accrued rights/contributions of workers to their respective RSAs as computed by the National Databank Department.

2.3.3 Communications and Public 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. In this regard, the department, in collaboration with Positive Influence Nigeria Limited aired a television programme every Sunday afternoon tagged "Pension Matters", and produced and distributed many copies of the PRA 2004 and Frequently Asked Questions (FAQ). The Protocol Unit of the Department also liaised with Immigration, Embassies and Foreign Affairs Ministry for Passports, Visas and Note Verbale; Travel Agencies, Airlines, and Airports for flight tickets and checking-in of staff of the Commission travelling within and outside the country.

2.3.4 Risk Management Department

The department carried out daily and monthly review of the investment valuation reports of the portfolio of RSA funds, CPFAs and AES in the year with a view to ensuring strict adherence to the investment and valuation regulations of pension fund assets as issued by PenCom.

The level of compliance with regulatory provisions significantly improved during the year as against the situation in 2006 when investment activities commenced under the CPS. Pension fund assets were mostly in investment grade instruments/issuers; while efforts were made by PFAs to keep assets within approved investment limits. Few cases of violations of investment limits induced by market appreciation in value of securities were promptly corrected within the time frame allowed by regulations.

The department also conducted the verification of retirement benefits computed by PFAs and death benefit claims filed on behalf of deceased FGN employees.

2.3.5 Research and Corporate Strategy Department

During the year, the Department monitored and contributed to policy formulations in the nation's financial sector as well as the Nigerian capital market. As part of the efforts of PenCom to ensure general acceptability of the CPS, the department presented papers at sensitization seminars and workshops. The department also maintained the content of PenCom's website and the general e-mail box, as well as the records of the activities of the pension industry.

2.3.6 Management Services Department

The department continued to provide human, materials and other logistics support for the smooth operation of PenCom in 2007. In the year under review, the department recruited skilled and experienced personnel to man PenCom's operations. Thus, 60 and 88 additional staff assumed duty in March and June, 2007 respectively. The department had since then developed a Staff Handbook to enable staff know the full terms and conditions of their engagement by PenCom.

Towards the end of 2006, the department had to supervise and administer the relocation of PenCom's Office from the Legacy House on Plot 2774, Shehu Shagari Way, Maitama to No 174, Adetokunbo Ademola Crescent, Wuse II, both in Abuja. The department completed the renovation and equipping of the new office premises by providing water, power and security to the office premises.

Each member of staff had the opportunity of attending at least one training programme in 2007. PenCom reached an understanding with the Central Bank of Nigeria (CBN) and the West African Institute for Financial and Economic Management (WAIFEM) for the training of staff of PenCom in 2007. On the basis of this understanding, seven members of staff of PenCom attended four training programmes organized by WAIFEM both within and outside Nigeria. Thus, a total of 206 persons attended local and foreign training programmes during the year under review.

2.3.7 Information Technology Department

In 2007, the department developed the Pension Contributors Registration Application which would replace the current Interim Registration System. In addition, the department implemented the Returns Rendition System with which pension operators render returns electronically to PenCom.

The department facilitated the Committee set up by the Forum of the Operators in the pension industry to conclude its evaluation of vendors for the Automated Fingerprint Identification System (AFIS) in the year. This had since been narrowed down to a vendor that would provide the AFIS. The provision of the AFIS would eliminate the problem of multiple registrations by contributors and provide a system of unique identification of all registered contributors.

2.3.8 Finance Department

In the course of year 2007, the books of account that were hitherto maintained manually were semi-automated for easy transition to accounting software. The department prepared Management and Quarterly Financial Reports as well as Budgetary Control Reports on monthly and half-yearly basis. It also prepared and submitted PenCom 2008 draft budget to the Management for consideration.

In addition to the foregoing, the department, in the performance of its cash and investment management function, ensured availability of funds for the daily operations of the PenCom while surplus funds were invested in safe instruments at competitive rates of return during the review period.

2.3.9 National Databank Department

The department conducted a survey during which a total of 2,317 Federal Government employees preparatory to the issuance of Federal Government Retirement Bond.

It also compiled the list of FGN employees to enable efficient verification of data collected by PFAs from the employees during registration as well as to serve as the basis for the computation of their accrued pension benefits. Similarly, the department participated in supervising the generation of PINs for all contributors registered by the PFAs.

2.3.10 Surveillance Department

The department was responsible for off-site surveillance of all licensed operators through the scrutiny and analysis of various returns rendered by them as well as conducting on-site visits to their premises to check their books and records. The department had adopted risk-based supervision in its supervisory approach where areas that pose significant risks to operators were identified and commitment to mitigating the identified risks obtained from them.

2.3.11 Resolution and Enforcement Department

In line with the provisions of the PRA 2004, the department supervised the transfer of pension fund assets held and managed by NSITF to the PFC of Trustfund Pensions Plc. Similarly, the department coordinated the activities of the Interim Management Committee (IMC) that was appointed to assume responsibility for the general administration of Trustfund Pensions Plc.

A Contributor Assistance Unit was set up by the department to attend to complaints and enquiries from contributors in the CPS. PFAs were directed to submit lists of employers that were not funding their employees' Retirement Savings Accounts. The affected employers were contacted by the department to secure compliance. Other legal measures would be considered to secure compliance if moral suasion should fail.

The Department also moved to the next phase of its enforcement activities of warning employers that failure to comply with the provisions of the PRA 2004 would lead to publishing their names in national newspapers as non-compliant organizations.

2.3.12 Policy and Regulation Department

The department embarked on expository visits to the six Pension Departments established by the PRA 2004 with a view to engendering their buy-in to the supervisory responsibilities of PenCom. Regular liaison was established with the Pension Departments for the resolution of pensioners' complaints and all issues from pensioners' associations.

As a first step towards addressing issues related with unified pension schemes, the department developed a framework for the workings of the scheme under the current dispensation. Furthermore, the Department had developed a framework for the states and local governments' pension schemes. It also coordinated the development and issuance of all regulations to pension operators.

2.3.13 Establishment of SERVICOM

One of the major developments that took place in the course of the year was the inauguration of the "SERVICOM" activities in PenCom. This is in line with the Federal Government directive that public sector operators should implement SERVICOM standard rules and procedures in their service delivery. As part of SERVICOM requirements, both PenCom SERVICOM Unit (PSU) and PenCom SERVICOM Committee (PSC) were established in year 2007. This represented PenCom's resolve to providing more responsive, proactive and high quality service delivery that is customer-friendly, professional and transparent.

2.3.14 Sensitisation Seminars/Workshops and Public Enlightenment

Section 20 (f) of the PRA, 2004 mandated PenCom to carry out public awareness and education on the establishment and management of the CPS. In this respect, PenCom had participated in and provided resource persons at seminars and workshops on the pension reform and the CPS which were organized directly by PenCom and other public and private sector organizations.

2.3.15 Joint Committee on Privatised Companies

Following the accumulation of huge pension liabilities in various enterprises that had been privatised or slated for privatisation, the Economic Management Team requested PenCom and BPE to examine the issue and come up with appropriate recommendations. The two organisations subsequently met and set up a Joint Committee which was mandated to examine the issue of unsettled pension liabilities in privatised enterprises and those slated for privatization.

The Committee identified 52 enterprises whose pension liabilities amounted to N415.37 million out of which N93.15 million was already settled. The outstanding liabilities of N322.22 million would be verified after which the beneficiaries would be paid their entitlements. The Committee recommended modalities for payment of these outstanding liabilities based on whether the enterprise was already privatized or slated for privatization. The report was submitted to BPE.

2.3.16 Collaboration with National Accounting Standards Board (NASB) on the Production of Accounting Standards for the Pension Industry

PenCom in collaboration with the NASB had set up a joint Committee to review and standardize the Accounting and Financial Reporting Requirements for the pension industry. The joint Committee in its efforts to implement the mandate reposed on it had formed two Sub-Committees, one for private sector and the other for the public sector pension schemes. Work on the production of the Accounting Standards for the pension industry by the two Sub-Committees had since commenced.

2.3.17 Bond Steering Committee

PenCom was a member of the Bond Steering Committee set up to develop both the bond market in line with the national reform agenda. The main objective of the Committee was to ensure speedy development of the bond market by implementing collective decisions, coordinating and harmonizing the activities of all stakeholders, as well as determining the overall structure of the market.

The Committee was on-going and had made a set of recommendations towards charting a course for the development of the bond market in Nigeria.

2.3.18 Presidential Committee on Affordable Housing

A Presidential Committee was constituted on the implementation of affordable housing delivery in Nigeria. PenCom served as a member of the Main Committee as well as member of two Sub-Committees on funding and concessions. The Committee had already submitted its report. Similarly, PenCom was a member of the Implementation Committee set up to implement the recommendations of the Presidential Committee.

2.3.19 Financial Services Regulation Coordinating Committee

PenCom had an observer status on the Financial Services Regulation Coordinating Committee (FSRCC), which is an inter-agency body set-up to deal with matters of common interest and concern to the various regulatory and supervisory authorities in the financial services industry.

2.4 Memberships of Professional Organisations

PenCom was the first regulatory authority established to regulate and supervise pension matters in the country. Desirous of establishing an efficient and effective pension system, PenCom registered as a member of two international pension supervisory associations, namely: International Social Security Association (ISSA) and International Organisation of Pension Supervisors (IOPS). The main objective was to enable PenCom to benefit from the experiences of other well established members of the two agencies especially in the following areas:

- (i) Establishment of standards for regulation and supervision of the pension industry;
- (ii) Promotion of co-operation with member agencies in areas of policy and research;
- (iii) Support in data collection and analysis; and
- (iv) Capacity building including subsidized seminars, workshops and conferences.

The ISSA had about 100 associate members and about 260 affiliate members while the IOPS had around 60 members and observers representing approximately 50 countries and territories worldwide.

PART THREE:

STATEMENT OF ACCOUNTS

- 3.0 Statement of Accounts as at 31 December, 2007
- 3.1 Auditors' Report



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REPORT OF THE INDEPENDENT AUDITORS TO MEMBERS OF NATIONAL PENSION COMMISSION

We have audited the financial statements of **National Pension Commission**, as at 31 December 2007 set out on pages 2 to 13 which have been prepared on the basis of the significant accounting policies on pages 2 and 3, and other explanatory notes on pages 7 to 11.

PenCom's responsibility for the financial statements

PenCom is responsible for the preparation and fair presentation of these financial statements in accordance with Section 25 of the Pension Reform Act, 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 as to 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 on 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 the PenCom, as well as evaluating the overall presentation of the financial statements.

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, PenCom has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by Section 25 of the Pension Reform Act, 2004. The financial statements give a true and fair view of the financial position of National Pension Commission as at 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with Section 25 of the Pension Reform Act, 2004.

Wintela Williams - elaite

Chartered Accountants Abuja 13 May, 2008



Member of Deloitte Touche Tohmatsu

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NATIONAL PENSION COMMISSION

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

i. Investment income

Investment income on Government Securities, short term placements, fees and commissions are recognised on accrual basis.

ii. Budgetary receipts

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

iii. Fees and commissions

Asset based fees

Asset based fees are charged by PenCom on Pension Fund Assets. PenCom charges 0.3% of Pension Fund Assets annually as supervisory fees.

(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 instalments over their estimated useful lives at the following annual rates:

| | | 70 |
|------------------------|---|-------|
| Land and buildings | - | 2 |
| Motor vehicles | - | 25 |
| Furniture and fittings | - | 15 |
| Computer equipment | - | 33.33 |
| Office machines | - | 25 |
| Plant and machinery | - | 20 |
| | | |

NATIONAL PENSION COMMISSION

SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Foreign exchange transactions

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

Assets and liabilities existing in foreign currencies are translated 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.

(f) Retirement benefits

Arrangement for retirement benefits for members of staff is based on the provisions of the Pension Reform Act, 2004. Membership of the scheme is automatic upon resumption of duties with PenCom.

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

(g) Provision

Provision is recognised when PenCom 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.

3.2 Statement of Income and Expenditure

NATIONAL PENSION COMMISSION

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER, 2007

| | 2007 N '000 | 2006 N '000 |
|--------------------------------|---------------------------|---------------------------|
| Income | | |
| Budgetary receipts | 396,780 | 232,341 |
| Fees and commissions | 1,536,085 | 207,457 |
| Investment income | 28,363 | 16,439 |
| Other income | 10,298 | 11,195 |
| | 1,971,526 | 467,433 |
| Expenditure | (1 502 61 | |
| Administrative expenses | (1,583,61 7) | (550,372) |
| Depreciation of fixed assets | (118,962) | (57,948) |
| (Deficit)/surplus for the year | 268,946 | (140,888) |

3.3 Statement of Assets and Liabilities

NATIONAL PENSION COMMISSION

BALANCE SHEET AS AT 31 DECEMBER, 2007

| Assets employed | Note | 2007 <mark>N</mark> '000 | 2006 N '000 |
|--|----------|-----------------------------|---------------------------|
| Fixed assets | 7 | 1,362,961 | 130,451 |
| Capital work in progress | 8 | - | 350,000 |
| | | 1,362,961 | 480,451 |
| Current assets | | | |
| Stocks | 9 | 4,978 | - |
| Debtors and prepayment | 10 | 551,086 | 142,052 |
| Bank and cash | 11 | 495,974 | 90,615 |
| Current liabilities | | 1,052,038 | 232,667 |
| | | | |
| Amounts falling due within one year | 10 | 055 044 | 44.050 |
| Creditors Staff retirement benefits | 12 13 | 255,941 | 11,356 |
| Stan retrement benefits | 15 | - | 12,851 |
| | | 255.941 | 24,207 |
| Net current assets | | 796,097 | 208,460 |
| | | | |
| Total assets less current liabilities | | 2,159,058 | 688,911 |
| Financed by: | | | |
| Accumulated fund | 14 | 522,882 | 253,935 |
| Capital grant | 15 | 1,636,176 | 434,976 |
| | | 2,159,058 | 688,911 |
| Contingent assets/liabilities | | | |
| Contingent liabilities and other obligations | | | |
| on behalf of Federal Government of Nigeria | | | |
| and its employees | 16 | 110,917,399 | 55,372,634 |

The financial statements on pages 2 to 13 were approved by the Board of the PenCom on 13 May, 2008 and signed on its behalf by:

3.4 Statement of Cash Flows

NATIONAL PENSION COMMISSION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2007

| | Note | 2007 N '000 | 2006 № '000 |
|--|------|---------------------------|-----------------------|
| Cash flow from operating activities | | | |
| Cash Received from activities | | 1,562,492 | 394,063 |
| Cash paid to suppliers and employees | | (1,356,859) | (575,223) |
| Net cash used in operating activities | 17 | 205,633 | (181,160) |
| Cash flow from investing activities | | | |
| Purchase of fixed assets | | (1,351,474) | (82,687) |
| Capital work in progress | | 350,000 | (350,000) |
| Proceed on disposal of fixed assets | | - | 4,014 |
| Net cash used in investing activities | | (1,001,474) | (428,673) |
| Cash flow from financing activities | | | |
| Capital grants | | 1,201,200 | - |
| Net cash from investing activities | | 1,201,200 | - |
| Net increase/(decrease) in cash and short term funds | | 405,359 | (609,833) |
| Cash and short term funds, beginning of the year | | 90,615 | 700,448 |
| Cash and short term funds, end of the year | 18 | 495,974 | 90,615 |

National Pension Commission 3.5 Notes to the Financial Statements

NATIONAL PENSION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2007

1 The PenCom

The National Pension Commission was established by the Pension Reform Act, 2004 to regulate, supervise and ensure the effective administration of pension matters in Nigeria. It commenced operations in September 2004.

2 **Budgetary receipt**

This represent annual grant from government for operational expenses to supplement the internally generated revenue.

| | | 2007 N '000 | 2006 N '000 |
|---|--|---------------------------|---------------------------|
| 3 | Fees and commissions | | |
| | Application and licensing fees | 51,000 | 74,100 |
| | Supervisory fees, levies and penalties | 1,485,085 | 133,357 |
| | | 1,536,085 | 207,457 |
| 4 | Investment income | | |
| | Interest on bank placements | 28,363 | 16,439 |
| 5 | Surplus/(Deficit) for the year | | |
| | This is stated after charging: | | |
| | Depreciation | 118,962 | 57,948 |
| | Profit on disposal of fixed assets | - | 4,011 |
| | Auditors' remuneration | 4,500 | 3,000 |

6 Taxation

No provision is made in these financial statements for taxation as part of the PenCom's income for the year represents subventions from the Federal Government of Nigeria.

NATIONAL PENSION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2007

| 7 Fixed assets | Land & buildings ¥'000 | Motor vehicles ₩'000 | Office equipment ¥'000 | Computer equipment & software N'000 | Plant & machinery ¥'000 | Furniture fittings & N '000 | Total N'000 |
|----------------------------|------------------------------|----------------------------|------------------------------|--|-------------------------------|--|----------------|
| Cost | | | | | | | |
| Balance, beginning of year | - | 62,918 | 43,283 | 69,292 | 9,125 | 39,122 | 223,740 |
| Additions | 1,022,031 | 10,700 | 14,269 | 207,410 | 9,975 | 87,089 | 1,351,474 |
| Balance, end of year | 1,022,031 | 73,618 | 57,552 | 276,701 | 19,100 | 126,211 | 1,575,214 |
| Accumulated depreciation | | | | | | | |
| Balance, beginning of year | - | 29,885 | 19,880 | 32,236 | 3,650 | 7,639 | 93,290 |
| Charge for the year | 19,858 | 18,061 | 12,980 | 51,826 | 3,321 | 12,916 | 118,962 |
| Balance, end of year | 19,858 | 47,946 | 32,860 | 84,062 | 6,971 | 20,555 | 212,252 |
| Net book value | | | | | | | |
| At 31 December, 2007 | 1,002,173 | 25,672 | 24,692 | 192,640 | 12,129 | 105,655 | 1,362,961 |
| At 31 December, 2006 | - | 33,033 | 23,403 | 37,057 | 5,475 | 31,483 | 130,451 |

8 Capital work in progress

PenCom paid a total sum of N350 million in 2006 as partial consideration for the purchase of property situated at No. 174 Adetokunbo Ademola Crescent Wuse II Abuja. The agreed total consideration for the property was N950million. Outstanding balance of N600million was paid in 2007 in exchange for the title to the property.

| 9. Stocks | N '000 | N '000 |
|----------------------|-------------------|-------------------|
| Stocks of stationery | 4,978 ====== | - |

NATIONAL PENSION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2007

| | 2007 N '000 | 2006 N '000 |
|--|---------------------------|---------------------------|
| 10 Debtors and prepayments | | |
| Asset based fee debtors | 343,554 | - |
| Staff debtors | 174,273 | 139,342 |
| Prepaid insurance | 2,222 | 860 |
| Other debtors | 31,038 | 1,850 |
| | 551,086 | 142,052 |
| 11 Bank and cash | | |
| Guaranty Trust Bank Plc | 191,697 | 71,330 |
| Zenith Bank Plc | 302,607 | 11,014 |
| Union Bank of Nigeria Plc | - | 8,171 |
| UBA PIC | 270 | - |
| Cash at hand | 1,400 | 100 |
| | 495,974 | 90,615 |
| 12 Creditors | | |
| Creditors and accruals | 119,923 | 3,000 |
| Dedicated fund | 109,048 | - |
| Other credit balances | 26,970 | 8,356 |
| | 255,941 | 11,356 |
| Dedicated fund represents fund given to PenCom by the Federal Government of Nigeria to cater for expenses associated with the issuance of bonds and termina benefits. PenCom placed this fund in an interest yielding fixed deposit account, interest received on the placemen is credited to the account | s Il J | |
| 13 Pension Balance, beginning of year Charge to income and expenditure | 12,851 40,760 | 15,738 8,427 |
| | 53,611 | 24,165 |
| Payments in the year | (53,611) | (11,314) |

NATIONAL PENSION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2007

| 14 | General reserve fund | 2007 ₩'000 | 2006 №'000 |
|----|---|---------------|---------------|
| 14 | Balance, beginning of year | 253,935 | 394,822 |
| | (Deficit)/surplus for the year | 268,946 | (140,887) |
| | Balance, end of year | 522,882 | 253,935 |
| 15 | Capital grant | | |
| | Balance, beginning of year | 434,976 | 434,976 |
| | Transfer from income and expenditure | 1,201,200 | - |
| | Balance, end of year | 1,636,176 | 434,976 |
| | This represents funds released to PenCom to augment cost of acquisition of land and buildings and acquisition and implementation of information and communication technology. | | |
| 16 | Contingent assets/liabilities (Fiduciary funds) | | |
| | PenCom holds the following funds on behalf of the Federal Government: | | |
| | Contributory Fund Account | 110,915,399 | 55,372,634 |

National Pension Commission

NATIONAL PENSION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2007

| | 2007 N '000 | 2006 N '000 |
|---|---------------------------|---------------------------|
| 17 Reconciliation of net surplus/(deficit) in the year to net cash used in operating activities | | |
| Surplus/(deficit) for the year | 268,946 | (140,888) |
| Add: Depreciation | 118,962 | 57,948 |
| | 387,909 | (82,940) |
| Movements in working capital: | | |
| Stocks | (4,978) | - |
| Debtors | (409,034) | (73,370) |
| Creditors | 231,737 | (24,940) |
| Net cash used in operating activities | 205,633 | (181,160) |
| 18 Cash and cash equivalents | | |
| Cash at bank Cash at hand | 494,574 1,400 | 90,515 100 |
| | 495,974 | 90,615 |

19 Post balance sheet events

There were no post balance sheet events which could have had material effect on the balance sheet of PenCom as at 31 December, 2007 and on the income and expenditure for the period ended on that date which have not been adequately provided for or recognised in these financial statements.

20 Comparative figures

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

3.6 Statement of value added

NATIONAL PENSION COMMISSION

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER, 2007

| | 2007 N '000 | % | 2006 N'000 | % |
|--|---------------------------|-----|---------------|------|
| Income | 1,971,526 | | 467,433 | |
| Less: Bought in materials and services - Local | (500,137) | | (182,067) | |
| - Foreign | (130,899) | | (32,129) | |
| | 1,340,490 | 100 | 253,237 | 100 |
| Applied as follows: | | | | |
| Employees' wages, salaries and other benefits | 952,582 | 71 | 336,177 | 133 |
| To provide for assets replacement | | | | |
| - Depreciation | 118,962 | 9 | 57,948 | 23 |
| Retained for future growth | | | | |
| - Surplus/(deficit) for the year | 268,946 | 20 | (140,888) | (56) |
| | 1,340,490 | 100 | 253,237 | 100 |

3.7 Three Year Financial Summary

NATIONAL PENSION COMMISSION

THREE YEAR FINANCIAL SUMMARY

| 31 DECEMBER | 2007 ₩'000 | 2006 ₩'000 | 2005 N '000 |
|---|------------------|------------------|---------------------------|
| FIXED ASSETS | 1,362,961 | 130,451 | 108,756 |
| WORK IN PROGRESS | - | 350,000 | - |
| CURRENT ASSETS | | | |
| Stock | 4,978 551,086 | - 142,052 | - 68,681 |
| Debtors and prepayments Bank and cash | 495,974 | 90,615 | 700,448 |
| | 1,052,038 | 232,667 | 769,129 |
| CURRENT LIABILITIES | 055 044 | 44.050 | 22.240 |
| Creditors and accruals Staff retirement benefits | 255,941 | 11,356 12,851 | 32,349 15,738 |
| | 255,941 | 24,207 | 48,087 |
| Net current assets | 796,097 | 208,460 | 721,042 |
| NET ASSETS | 2,159,059 | 688,911 | 829,798 |
| FINANCED BY | | | |
| Capital grant | 1,636,176 | 434,976 | 434,976 |
| General revenue fund | 522,882 | 253,935 | 394,822 |
| Contingent assets/liabilities | 2,159,058 | 688,911 | 829,798 |
| Contingent liabilities and other obligations on behalf of Federal Government of Nigeria and its employees | 110,917,399 | 55,372,634 | 55,114,283 |
| REVENUE | | | |
| Income | 1,932,865 | 439,798 | 891,019 |
| Other Income | 38,661 | 27,635 | 37,647 |
| Less: Expenditure | 1,971,526 | 467,433 | 928,666 |
| Administration and staff costs | 1,583,617 | 550,373 | 496,674 |
| Depreciation of fixed assets | 118,962 | 57,948 | 37,170 |
| Surplus/(deficit) for the year | 268,946 | (140,888) | 394,822 |

| Nat | ionaiPe | nsion | Com | mis | \$ 1 | 0 | 6m |
|-----|---------|---------|-----|------|------|---|----|
| | | | | | | | |
| | | | | | | | |
| | PAR | T FOUR: | | | | | |
| | | | | | | | |
| | TUE | PENSIC | | פווח | тр | v | |
| | INC | FENSIC | | 003 | IN | | |

4.0 Introduction

This section highlights the activities of the pension industry for the year 2007. These activities include the licences issued to applicant organisations to operate in the industry; membership of various licensed and approved schemes; contributions into RSAs; the Retirement Redemption Bond Account; pension fund assets under the management and custody of pension fund operators; investment of pension fund assets; and charges to the pension funds.

4.1 Issuance of Licences

PenCom had issued licences to 35 institutions and approved continuation of 18 existing schemes as at 31 December, 2007. The breakdown of these licences and approvals is given in Table 4.1.

| Туре | Number of Licences / Approvals | | | |
|------------------------------------|--------------------------------|------|--|--|
| | 2007 | 2006 | | |
| Pension Fund Administrators | 12 | 13 | | |
| Pension Fund Custodians | - | 4 | | |
| Closed Pension Fund Administrators | 2 | 4 | | |
| Approved Existing Schemes | 12 | 6 | | |
| Total | 26 | 25 | | |

Table 4.1: Licences Issued and Approvals Granted

A comprehensive list and contact details of all the licensed operators is provided in Part Five of this report.

4.2 Registration of Contributors

February 2006 marked the commencement date for the registration of contributors by PFAs. Unlike its private sector counterpart, the public sector had the highest number of employees registered with PFAs, which could be partly attributed to the resolve of the Federal Government to ensure that its employees comply with the provisions of the PRA, 2004. In addition, there was awareness among the public sector employees due to series of sensitisation programmes focused on them at the early stages of the implementation of the scheme. Licensed CPFAs and AES maintained their existing memberships prior to their licensing and approval given to them respectively to continue with their schemes.

4.2.1 Membership of PFAs

By the end of 2007, the cumulative PFA registration for both the public and private sectors was 2,543,178 with the public and private sectors accounting for 1,754,028 (68.97%) and 789,150 (31.03%) respectively as shown in Figure 1. This shows an increase of 1,038,881 (69.06%) over the cumulative registration figure in 2006 as shown in Figure 2.



Figures 1 and 2 indicate that public sector registration from inception increased from 1,036,839 by December, 2006 to 1,754,028 by December, 2007 while private sector registration increased from 467,458 to 789,150 over the same period. This represents increases of 69.17% and 68.82% respectively. Already, 716,583 civil servants from various states were registered by PFAs. This represents 40.85% of the 1,754,028 public sector registrations.

The average monthly growth rate of registration in the private sector was 5.74% in 2007 which was relatively lower than the 5.76% of the public sector in the same period.

| | Pub | Public | | Private | | Total | | d Total |
|------------------|-----------|---------|---------|---------|-----------|---------|-----------|------------|
| Age Range | Male | Female | Male | Female | Male | Female | Number | Percentage |
| Less than 30 yrs | 234,515 | 100,495 | 144,001 | 58,495 | 378,516 | 158,990 | 537,506 | 21.14% |
| 30 - 40 yrs | 372,750 | 214,134 | 260,930 | 74,000 | 633,680 | 288,134 | 921,814 | 36.25% |
| 41 - 50 yrs | 368,540 | 201,166 | 155,927 | 25,986 | 524,467 | 227,152 | 751,619 | 29.55% |
| 51 - 60 yrs | 180,395 | 68,137 | 55,402 | 5,489 | 235,797 | 73,626 | 309,423 | 12.17% |
| 61 - 65 yrs | 7,411 | 1,244 | 5,127 | 319 | 12,538 | 1,563 | 14,101 | 0.55% |
| Above 65 yrs | 4,325 | 916 | 3,057 | 417 | 7,382 | 1,333 | 8,715 | 0.34% |
| Total | 1,167,936 | 586,092 | 624,44 | 164,706 | 1,792,380 | 750,798 | 2,543,178 | 100.00% |

Table 4.2: RSA Registrations in 2007

From Table 4.2, total number of male contributors is 1,792,380 accounting for 70.48% of RSA registration while total number of female contributors is 750,798 representing 29.52% of the total contributors.

The breakdown of RSA registration by age indicates that the age bracket "30 - 40 years" recorded 36.25% while the age bracket "Less than 30 years" had 21.14%. This means contributors with ages of 40 years or less accounted for over 57% of the total registration and are expected to remain in the system for at least ten years. Therefore, the potential for growth of the scheme is very high especially with more registration expected from the stats and the private sector.

However, contributors with ages above 40 years constituted over 42% of the total registration, indicating that the formal sector has an ageing workforce. The percentage is expected to increase as some of those in the age bracket "30 -40 years" cross the 40 years mark. This indicates that a significant proportion of the contributors are getting close to accessing their retirement benefits, which would necessitate PFAs to change the portfolios of the pension funds under their management to reflect the age and risk profiles of the retirees and those about to retire. It also requires PenCom to come up with all the necessary supervisory and regulatory guidance for the PFAs to effectively handle the retiree funds.

The age bracket "Above 65 years" shows that some contributors exempted from the scheme decided to open RSAs and make voluntary contributions.

4.2.2 Membership of CPFAs and AES

Membership of CPFAs and AES consist strictly of the employees of the companies that have been issued licences by the Commission to manage their schemes and those granted approvals to continue with their existing schemes respectively. The total membership of the six (6) CPFAs and eighteen (18) AES were 31,335 and 31,445 as at 31 December, 2007 respectively. The breakdown of the membership of CPFAs and AES are presented in Tables 4.3 and 4.4 respectively.

Table 4.3: Membership of CPFAs in 2007

| Enrolment Type | Total | Percentage (%) |
|---------------------|--------|----------------|
| Active Members | 18,118 | 60.36 |
| Current Pensioners | 9,615 | 32.04 |
| Deferred Pensioners | 2,283 | 7.60 |
| Total | 31,335 | 100.00 |

Note: Deferred pensioners are pensionable retirees who are not eligible to draw pension until they reach fifty (50) years of age.

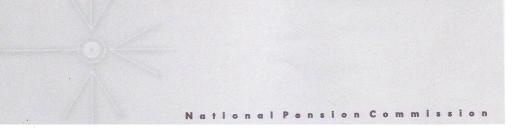
Table 4.4: Membership of AES in 2007

| Enrolment Type | Total | Percentage (%) |
|---------------------|--------|----------------|
| Active Members | 25,118 | 79.88 |
| Current Pensioners | 4,676 | 14.87 |
| Deferred Pensioners | 129 | 0.41 |
| Dependants | 1,522 | 4.84 |
| Total | 31,445 | 100.00 |

Note: Dependants are proteges or deceased pensioners.

4.3 Contributions

Contributions into RSAs are from two main sources: public sector comprising of employees of Federal Government and its agencies, the FCT and State/Local Governments; and the private sector. Total contributions, from inception, for both the public and private sectors into RSA, stood at ¥259.66 billion up to 31 December, 2007. This is made up of ¥168.29 billion (64.81%) public sector contributions and ¥91.37 billion (35.19%) private sector contributions as shown in Tables 4.5 and 4.6 respectively.



| | Public | | | | | | |
|-------|-----------------------------------|----------------------------|--|--|--|--|--|
| Year | Amount (N billion) | Percentage of Total (%) | | | | | |
| 2004 | 15.60 | 9.27 | | | | | |
| 2005 | 34.68 | 20.61 | | | | | |
| 2006 | 37.38 | 22.21 | | | | | |
| 2007 | 80.63 | 47.91 | | | | | |
| Total | 168.29 | 100.00 | | | | | |

Table 4.5: Public Sector Contributions

The public sector contributions included $\frac{1}{2}$ 9.38 billion contributions from State Governments and self funding FGN agencies. The low contributions in 2004 could be attributed to the fact that contributions commenced for FGN employees in July 2004 while contributions for subsequent years were made from January to December. Average monthly contribution for the public sector was $\frac{1}{2}$ 5.61 billion between July, 2004 and December 2007. This was greatly influenced by the 2007 contributions, which increased significantly due to the larger volume of documentary evidence submitted by employers for authentication in the Public Service of the Federation.

Table 4.6: Private Sector Contributions

| | Private | | | | | | |
|-------|-----------------------|----------------------------|--|--|--|--|--|
| Year | Amount (N Billion) | Percentage of Total (%) | | | | | |
| 2004 | - | - | | | | | |
| 2005 | - | - | | | | | |
| 2006 | 23.03 | 25.21 | | | | | |
| 2007 | 68.34 | 74.79 | | | | | |
| Total | 91.37 | 100.00 | | | | | |

The private sector commenced contributions in 2005 but started the transfer of their pension assets to PFCs in 2006 following the licensing of PFAs. The private sector recorded an increment of 196.74% in its contributions between 2006 and 2007 as against an increment of 115.70% recorded by the public sector during the same period. This reflected an improvement in the level of compliance by the private sector.

4.3.1 Remittance of Contributions of FGN Employees into RSAs

The sum of N61 billion was remitted to the licensed PFAs as at 31 December, 2007 representing 38.63% of total contributions by FGN employees. The disbursements were done only after verification of contributors' documentary evidences forwarded to PenCom through the PFAs. The balance of N96.93 billion yet to be disbursed constituted the contributions of those FGN employees whose documentary evidences were either not received or were received very late and could not be verified before the end of the year. The un-disbursed amount, which was lodged at the CBN, had been invested in government securities on behalf of the contributors and earnings from the investment would be proportionately shared to the contributors.

4.3.2 Contributions of Private Sector Employees into RSAs

The private sector contributed \$91.37 billion into the RSAs being managed by PFAs as at 31 December, 2007 representing 36.25% of total contributions into RSAs. The increase in contributions showed that more employees in the sector had opened RSAs and their contributions were remitted to their respective RSAs. The private sector contributed an average monthly sum of \$5.70 billion in the year under review, which was a remarkable increase from \$2.09 billion average monthly contribution from February to December 2006.

4.4 Investment of Pension Funds

4.4.1 Industry Portfolio

The total pension assets of PFA, CPFA and AES as at 31 December, 2007 was \$15.18 billion based on un-audited valuation reports of the RSA, CPFA and AES funds submitted to PenCom.

As shown in Table 4.7, pension fund assets are well diversified and spread across eleven (11) different asset classes of which four (4) are core, namely: ordinary shares of companies quoted on the Nigerian Stock Exchange (NSE), government securities, money market instruments and real estate/properties. Only CPFAs and AES were allowed to maintain their existing investments in unquoted securities, real estate and foreign securities (ordinary shares and money market instruments), by virtue of Section 6.3 of the Regulation on Investment of Pension Fund Assets.

| | RSA | | CPFA | | AES | | TOTAL | |
|--------------------------------------|-------------------------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Asset Class | Amount (N ' Billion) | Proportion (%) |
| FGN Securities | 166.61 | 59.87 | 48.99 | 24.23 | 64.09 | 19.17 | 279.69 | 34.33 |
| State Government Securities | - | - | 0.05 | 0.02 | - | | 0.05 | 0.01 |
| Corporate Debt Securities | - | - | - | - | 0.24 | 0.07 | 0.24 | 0.03 |
| Domestic Quoted Equities | 43.39 | 15.59 | 55.7 | 27.54 | 141.29 | 42.27 | 240.38 | 29.50 |
| Quoted Foreign Equity | - | - | 3.06 | 1.51 | - | - | 3.06 | 0.38 |
| Domestic Money Market Instruments | 59.18 | 21.26 | 29.99 | 14.83 | 70.75 | 21.17 | 159.92 | 19.63 |
| Foreign Money Market Instruments | - | - | 26.09 | 12.90 | - | - | 26.09 | 3.20 |
| Mutual Funds | 2.18 | 0.78 | 1.85 | 0.91 | 0.43 | 0.13 | 4.46 | 0.55 |
| Property/Real Estate | - | - | 28.76 | 14.02 | 50.32 | 15.05 | 79.08 | 9.66 |
| Interest/Dividend | - | - | - | - | 0.66 | 0.20 | 0.66 | 0.08 |
| Unquoted Equities | - | - | 2.08 | 1.03 | 2.35 | 0.70 | 4.43 | 0.54 |
| Others | 6.943 | 2.49 | 6.06 | 3.00 | 4.13 | 1.24 | 17.13 | 2.10 |
| Total | 278.30 | 100.00 | 202.63 | 100.00 | 334.25 | 100.00 | 815.18 | 100.00 |

| Table 4.7: Portfolio of Total Pension Assets U | Inder Management |
|--|------------------|
|--|------------------|

Notable features of the industry summary as shown in Table 4.7 indicate that AES pension assets are highest accounting for 41.0% of total pension assets followed by RSA pension assets with 34.14% as at the end of 2007. CPFA pension assets of $\frac{1}{202.63}$ billion accounted for 24.86% of total pension assets at the end of the reporting year.

Analysis of the industry's portfolio reveals that investments in FGN securities (34.33%), domestic quoted equities (29.50%), and domestic money market instruments (19.63%) accounted for more than 80% of the total pension assets under management. Investment in foreign equities accounted for less than 1% and remained a portfolio unique to CPFAs. Similarly, only CPFAs had investments in foreign money market instruments to the tune of 3.2% of the total industry portfolio. In general, foreign investments accounted for 3.58% of the total industry portfolio in 2007.

4.4.2 RSA Portfolio Analysis

The RSA fund assets increased from \$110.83 billion in December, 2006 to \$278.30 billion as at 31 December, 2007, a growth of \$167.47 billion (151.11%). The quarterly RSA portfolio in 2007 is shown in Table 4.8.

| | First G | Quarter | Second | Quarter | Third C | Quarter | Fourth | Quarter |
|---|----------------------------------|-------------------|----------------------------------|-------------------|----------------------------------|-------------------|----------------------------------|-------------------|
| Asset Type | Amt (N ' billion) | Proportion (%) |
| FGN securities | 90.51 | 64.91 | 101.88 | 58.66 | 119.39 | 56.95 | 166.61 | 59.87 |
| State Government Securities | - | - | 0.15 | 0.09 | 1.68 | 0.80 | - | - |
| Corporate Debt Securities | 1.28 | 0.92 | 0.81 | 0.47 | 0.02 | 0.01 | - | - |
| Domestic Quoted Equities | 19.59 | 14.05 | 29.4 | 16.93 | 32.77 | 15.63 | 43.39 | 15.59 |
| Money Market Instruments | 25.97 | 18.63 | 38.43 | 22.13 | 51.19 | 24.42 | 59.22 | 21.28 |
| Mutual Funds | 0.71 | 0.51 | 1.18 | 0.68 | 1.45 | 0.69 | 2.18 | 0.78 |
| Real Estate | - | - | - | - | 0.37 | 0.18 | 0.37 | 0.13 |
| Credit Interest/Dividend Expected | 0.79 | 0.57 | 0.97 | 0.56 | 0.9 | 0.43 | 0.94 | 0.34 |
| Payables | - | | - | - | -0.16 | -0.08 | - | - |
| Others | 0.58 | 0.42 | 0.85 | 0.49 | 2.03 | 0.97 | 5.59 | 2.01 |
| Total | 139.43 | 100.00 | 173.67 | 100.00 | 209.64 | 100.00 | 278.30 | 100.00 |

Table 4.8: Cumulative Quarterly RSA Assets Portfolio in 2007

In terms of investments, FGN securities have the largest proportion of about 60% in total RSA investments. The PFAs maintained a concentration of more than 56% of the RSA investments in these instruments throughout the year, while investment in Mutual Funds was relatively low with less than 1% of RSA funds. It is worthwhile to mention that throughout the year, assets allocation in RSA fund was in compliance with the investment limits stipulated in the Regulation on Investment of Pension Fund Assets.

As shown in Table 4.8, the total RSA assets increased by N34.24 billion (24.56%), N35.97 billion (20.71%) and N68.66 billion (32.75%) in the second, third and fourth quarters respectively. The growth resulted primarily from new contributions, net market appreciation on equities/mutual funds, and returns on pension fund investments. Similarly, the un-remitted contributions of FGN employees invested by CBN in FGN securities was a factor in explaining the changes in total pension assets between quarters of the year as shown in Table 4.9.

| Factors of Growth | First Quarter (N billion) | Second Quarter (N billion) | Third Quarter (N billion) | Fourth Quarter (₦ billion) |
|---|--|---|--|-------------------------------|
| Market Appreciation on Equities/Equity Funds | 1.88 | 0.31 | -0.87 | 7.08 |
| Interest Income/ Bonus issues/Dividend | 2.17 | 2.93 | 2.87 | 3.27 |
| New Contributions ¹ | 22.78 | 26.62 | 28.06 | 19.28 |
| Un-transferred Contribution at CBN | 1.77 | 4.38 | 5.91 | 39.03 |
| Total | 28.60 | 34.24 | 35.97 | 68.66 |

Table 4.9: Quarterly Growth of RSA Funds

¹These are contributions remitted into RSAs during the quarter from both public and private sectors

It is important to note that the amount invested by CBN in each quarter is the difference between the contributions received from the Federal Government and what was remitted to PFAs during each quarter, while the amounts recorded for each of the remaining growth factors represent the increase in each of them.

Net market appreciation on equities/equity funds fluctuated throughout the four quarters of the year and peaked at \$7.08 billion in the fourth quarter of 2007. It declined from \$1.88 billion in the first quarter to \$0.31 billion in the second quarter and further decreased to negative \$0.87 billion in the third quarter of 2007. Interest income, bonus issues and dividend increased throughout the year with the exception of the third quarter that witnessed a slight decrease of \$0.06 billion (2.05%) below the previous quarter. Thus, the third quarter of 2007 is a period of declining growth of market appreciation on equities/equity funds and interest income/bonus issues and dividends on RSA funds.

4.4.3 CPFA Portfolio Analysis

Total CPFA pension assets increased by \$18.35 billion (12.24%) in the first quarter of 2007 over the closing figure of \$149.92 as at December 31, 2006. The increase in the assets was due largely to transfer of assets from newly licensed CPFAs to PFCs as well as capital appreciation and interest/dividend and bonus received. In 2007, CPFA assets increased by \$11.53 billion (6.85%) from \$168.27 billion by the end of the first quarter to \$179.80 billion by the end of the second quarter. The CPFA pension assets portfolio for 2007 is shown in Table 4.10.

| | First Quarter | | Second | Second Quarter | | uarter | Fourth Quarter | | |
|---|------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|--|
| TYPE OF SECURITY | Amount (N' billion) | Proportion (%) | |
| FGN Securities | 47.7 | 28.35 | 54.47 | 30.29 | 48.13 | 25.11 | 48.99 | 24.18 | |
| State Government Securities | - | - | 0.01 | - | - | - | 0.05 | 0.02 | |
| Corporate Debt Securities | - | - | 0.05 | 0.03 | 0.05 | 0.03 | - | - | |
| Domestic Quoted Equities | 49.43 | 29.38 | 52.47 | 29.18 | 50.52 | 26.35 | 55.7 | 27.49 | |
| Foreign Equity Domestic Money Market | 2.62 | 1.56 | 3.15 | 1.75 | 3.19 | 1.67 | 3.06 | 1.51 | |
| Instruments | 19.25 | 11.44 | 15.16 | 8.43 | 28.8 | 15.03 | 29.99 | 14.80 | |
| Foreign Money Market Instruments | 24.01 | 14.27 | 26.56 | 14.77 | 27.1 | 14.14 | 26.09 | 12.88 | |
| Mutual Funds | - | - | 0.09 | 0.05 | 1.16 | 0.6 | 1.85 | 0.91 | |
| Property/Real Estate | 21.34 | 12.68 | 23.04 | 12.81 | 27.12 | 14.15 | 28.76 | 14.19 | |
| Unquoted Equities | 0.39 | 0.23 | 0.43 | 0.24 | 1.62 | 0.84 | 2.08 | 1.03 | |
| Others | 3.53 | 2.09 | 4.38 | 2.43 | 4.00 | 2.09 | 6.06 | 2.99 | |
| TOTAL | 168.27 | 100.0 | 179.80 | 100.00 | 191.70 | 100.00 | 202.63 | 100.00 | |

Table 4.10: Cumulative Quarterly CPFA Portfolio in 2007

By the end of the fourth quarter, investment in domestic quoted equities accounted for 27.49% of the total portfolio followed by FGN securities, which accounted for 24.18%. Most of the CPFA investments were in domestic instruments during the year under review even though there were investments in foreign money market instruments and equities which accounted for 12.88% and 1.51% respectively.

A quarterly comparison of CPFA assets shows relative stability in the portfolio. Notable exceptions were observed with investments in FGN Securities and Domestic Quoted Equities that witnessed fluctuations throughout the four quarters under review. Other changes in the asset preference of the CPFAs were in investments in Mutual Funds, Corporate Debt Securities and State Government Securities which were non-existent in the first quarter. There was complete divestment from Corporate Debt Instruments by the fourth quarter.

4.4.4 AES Portfolio Analysis

The AES assets portfolio witnessed an increase of \$12.66 billion (6.63%) during the first quarter of 2007 over the closing figure of \$191.04 recorded in the last quarter of year 2006. Table 4.11 shows that Domestic Quoted Equities remained the asset class with the highest percentage allocation of the AES followed by Money Market Instruments and FGN securities. Mutual Funds and Unquoted Securities were the instruments with the least investment of the AES portfolio. The investment in Unquoted Equities had remained constant and continued to decline as a proportion of total AES assets.

| | First Quarter | | Second | Second Quarter | | Third Quarter | | Fourth Quarter | |
|--|---------------------------------------|-------------------|---------------------------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|-------------------|--|
| Type of Security | Amount (<mark>₩</mark> ' billion) | Proportion (%) | Amount (<mark>₩</mark> ' billion) | Proportion (%) | Amount (N ' billion) | Proportion (%) | Amount (N ' billion) | Proportion (%) | |
| FGN Securities | 8.32 | 4.08 | 85.78 | 28.96 | 83.57 | 27.57 | 64.09 | 19.17 | |
| Corporate Debt Securities | 0.34 | 0.17 | 0.1 | 0.03 | 1.11 | 0.37 | 0.24 | 0.07 | |
| Domestic Quoted Equities Money Market | 76.63 | 37.62 | 88.53 | 29.88 | 92.94 | 30.66 | 141.29 | 42.27 | |
| Instruments | 56.06 | 27.52 | 55.47 | 18.72 | 59.35 | 19.58 | 70.75 | 21.17 | |
| Mutual Funds | 0.04 | 0.02 | 0.36 | 0.12 | 0.37 | 0.12 | 0.43 | 0.13 | |
| Property/Real Estate | 45.1 | 22.14 | 45.48 | 15.35 | 45.48 | 15.01 | 50.32 | 15.05 | |
| Unquoted Equities | 2.35 | 1.15 | 2.35 | 0.79 | 2.35 | 0.78 | 2.35 | 0.70 | |
| Interest/Dividend | 0.34 | 0.17 | 3.50 | 1.18 | 3.52 | 1.16 | 0.66 | 0.20 | |
| Payables | -1.34 | -0.66 | -0.56 | -0.19 | -0.38 | -0.13 | - | - | |
| Others | 15.86 | 7.79 | 15.23 | 5.14 | 14.78 | 4.88 | 4.14 | 1.24 | |
| Total Pension Assets | 203.7 | 100.00 | 296.24 | 100.00 | 303.09 | 100.00 | 334.27 | 100.00 | |

 Table 4.11: Quarterly Aggregate AES Assets Portfolio in 2007

4.4.5 Pension Fund Investments and Domestic Quoted Equities

Pension fund investments in domestic quoted equities amounted to ¥240.38 billion as at 31 December, 2007 and that represented 29.5% of the total pension industry portfolio. This was more than the 25% stipulated in the Regulation for Investment of Pension Fund Assets largely due to the fact that the PRA 2004 allows CPFAs and AES to maintain the limit of their legacy investments as at February, 2006.

Market capitalization is one of the major determinants of the size of any stock exchange and its growth has a significant impact on the growth and development of any economy. Although pension fund investments in domestic quoted equities increased in every quarter of the year, the increments relative to the market capitalization did not witness any significant change. Indeed, the proportion of pension fund invested in domestic quoted equities in the market capitalization of the NSE remained stable at between 2.19% and 2.36% throughout the four quarters of the year.

The market capitalisation was ¥10,188.35 billion as at 31 December, 2007 out of which pension fund investments accounted for ¥240.38 billion or 2.36%. Quarterly breakdown of pension fund investment in domestic quoted equity as percentage of market capitalization is presented in Table 4.12.

| Quarter | Market Capitalization (₦ billion) | Pension Fund in Quoted Equities (N billion) | Percentage of Pension Fund in Market Capitalization (%) |
|---------|---|---|---|
| First | 6,152.27 | 145.38 | 2.36 |
| Second | 7,821.07 | 171.40 | 2.19 |
| Third | 8,026.52 | 176.23 | 2.20 |
| Fourth | 10,188.35 | 240.38 | 2.36 |

Table 4.12: Pension Fund in Domestic Quoted Equity in 2007

Thus, the pension industry had begun to contribute to the increase in growth and development of not only the Nigerian capital market but the economy in general. This phenomenon would be expected to increase in the future under a stable political and macroeconomic environment as pension fund could provide a veritable source of the much desired long term investible funds which had been very low prior to the introduction of the CPS in the country.

4.5 Costs and Investment Return on Pension Assets

4.5.1 Costs to Pension Funds

Costs to the pension schemes comprised of administrative charges, asset-based charges and transaction costs. Administrative charges were a maximum of N100 on each RSA being maintained by a PFA and were being charged on monthly basis. The Administrative charges were based on the number of registered contributors and the time when contributions were received by the PFAs. Asset based fee on pension fund was a maximum of 3% of the NAV of which maximum of 2% would go to the PFA, 0.6% to the PFC and 0.4% to PenCom. However, PenCom had already dropped its charges to 0.3% for RSA fund and 0.2% for the CPFA and AES fund effective from 1 January, 2007 and 1 July, 2006 respectively. Similarly, business considerations (especially competition) had guided some PFAs and PFCs to charge less than the maximum amount especially on the AES and CPFA funds.

Transaction costs are charges incurred in making an economic exchange. For the pension industry, they include regulatory charges, brokerage commissions, VAT, stamp duties, etc. Pension funds, like other institutional investors, were charged lower fees in all their transactions on the capital market as a result of the general reduction of transaction costs by the Securities and Exchange Commission from the second quarter of 2007. PenCom had encouraged and insisted on arms length transactions and lower charges by service providers to the industry.

A total of N9.11 billion was charged on the pension funds in 2007. This was made of up of N0.72 billion administrative fees, N7.71 billion asset based fees and N0.73 billion transaction costs. Given the total pension fund assets of N815.18 billion as at 31 December, 2007, the total costs as a percentage of industry pension fund assets was 1.13% with administrative fees, asset based fees and transaction costs accounting for 0.09%, 0.95% and 0.09% respectively.

Table 4.13 gives the breakdown of cost to the pension fund assets as percentage of the NAV of individual schemes.

| | F | RSA CPFA | | AES | | |
|---------------------|----------------------------|---------------|-------------------------|---------------|-------------------------|------------|
| Costs | (N billion) | Charge (%) | (N billion) | Charge (%) | (N billion) | Charge (%) |
| Administrative Fees | 0.72 | 0.26 | - | - | - | |
| Asset Based Fees | 4.13 | 1.48 | 0.47 | 0.23 | 3.11 | 0.93 |
| Transaction Cost | 0.42 | 0.15 | 0.06 | 0.03 | 0.25 | 0.07 |
| Total | 5.27 | 1.89 | 0.53 | 0.26 | 3.36 | 1.01 |
| Scheme NAV | 278.30 | | 202.63 | | 334.25 | |

Table 4.13: Charge to Pension Fund Assets as Percent of Scheme NAV

The asset based fees were charged on RSA funds based on the daily valuation of the RSA portfolios. These were then accrued daily and charged at the end of every month. The CPFAs and AES were charged on monthly basis based on monthly valuation of their respective portfolios. Thus, the value of the asset based fees depended on the value of the portfolio on the valuation date.

Total transaction costs incurred on RSAs, CPFAs and AES in carrying out investment decisions on behalf of contributors in 2007 amounted to N0.73 billion which represented 0.09% of the total industry portfolio. A breakdown of the costs by scheme type indicates that RSA funds attracted N0.42 billion (or 0.15% of RSA funds) while AES funds equally managed by PFAs attracted N0.25 billion (or 0.07% of AES funds). CPFA funds, which had the lowest transaction cost attracted N0.06 billion (or 0.03%). This demonstrated the level of activity by the PFAs in their investment transactions in the capital market relative to the CPFAs.

4.5.2 Return on Investment

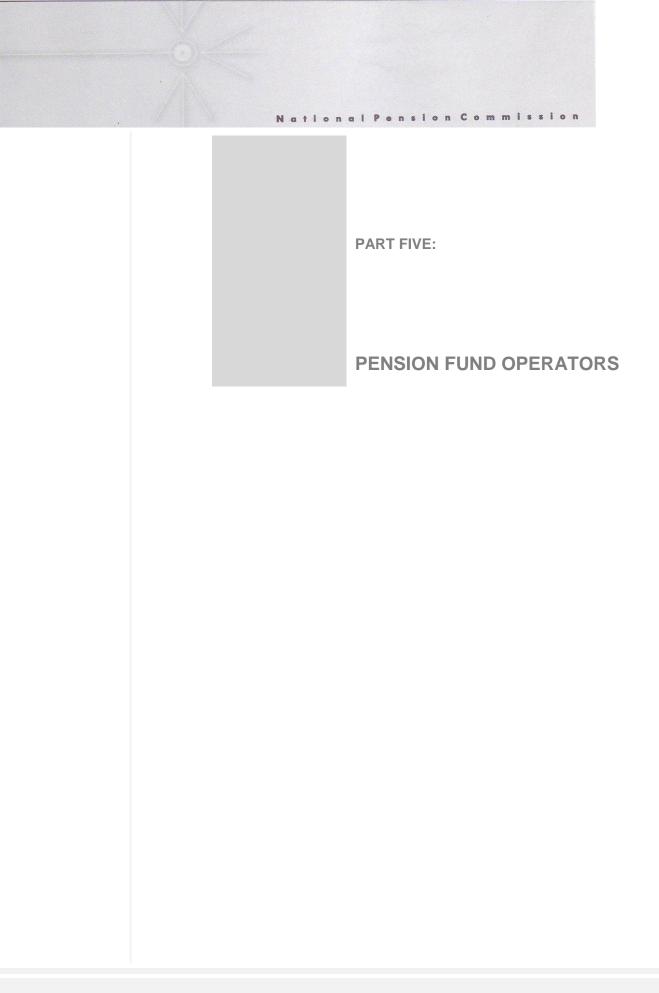
Pension assets were invested in good quality assets and the return on investments met all the benchmarks stipulated in the Regulations on Investment of Pension Fund Assets. Based on unaudited valuation reports of the RSA fund, the average annual rate of return was 19.37% of the NAV in 2007. This was net of all charges on the funds as the charges were effected in the determination of the NAVs of the funds. A breakdown of the average gross return on RSA funds by asset class is shown in Table 4.14.

| Asset Class | Rate (%) |
|--------------------------|----------|
| Equities | 49.00 |
| FGN Securities | 10.50 |
| Money Market Instruments | 12.50 |
| Mutual Funds | 49.00 |
| Cash with PFCs | 6.00 |

 Table 4.14: Average Gross Rate of Return on RSA Fund in 2007

Both equities and mutual funds had the highest gross rates of return on RSA funds in 2007 with 49%. Money market instruments attracted a slightly higher gross rate of return of 12.50% than FGN securities which had a rate of 10.5%. Cash with PFCs attracted the lowest rate of 6%.

However, with inflation rate of 6.6% in 2007, the real rate of return on RSA funds was 12.77%. The maintenance of a fairly stable level of inflation rate at single digit throughout the year accounted for the positive real rate of return on RSA investments in 2007. This undoubtedly facilitated the growth of pension assets in the year under review.



| PENSION FUND ADMINISTRATORS | | | | | | | |
|-----------------------------|--|-----------------------------|--|--|---|--|--|
| 5/NO | Name of Operator | Managing Director | Address | Phone No. | E-mail and Web Addresses | | |
| | Aiico Pension Managers Limited | Bola Akindeinde | Plot 2, Oba Akran Avenue, Ikeja Lagos | 08056177025, 01-2624667, 2625003 | info@aiicopension.com www.aiicopension.com | | |
| 2 | Amana Capital Pension Limited | Mohammed G. 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 | | |
| 3 | Apt Pension Funds Managers Limited | Hamza Sule Wuro Bokki | Federal Mortgage Bank House, Plot 266,Cadastral AO, Central Business District, Garki, Abuja | 09-4614400-29, 08033139435 | aptpensionfunds@yahoo.com www.aptpensions.com | | |
| ļ | Anchor Pension Managers Limited | Emmanuel Usman Adejo | No. 51A, Oro Ago Crescent, Garki II, Abuja. | 08037019717, 09- 3146526, 09-4618900-9 | info@anchorpension.com www.anchorpension.com | | |
| 5 | ARM Pension Managers (PFA) Limited | Funso Doherty | Plot 698, Sanusi Fafunwa Street, Victoria Island, Lagos | 08035260493, 01-2715005, 2692097 | info@armpension.com www.armpension.com | | |
| ò | Citi Trust Pension Managers Limited | Otunba Otukayode Otufale | Citi Trust Plaza, 10th Floor, 9/11 Catholic Mission Street, Lagos Island, Lagos | 01-2632833, 2645380, 2635880, | o.otufale@cititrustpension.com | | |
| 7 | Crib Pension Fund Managers Limited | P. T. Adediji | Aret Adams House, Left Wing 2nd Floor, 233 Ikorodu Road, Ilupeju, Lagos | 01-2790866-67 01-8978296, 4331831, 01-4964769, | cribpensionfund@yahoo.com www.cribpension.com | | |
| } | CrusaderSterling Pensions Limited | Niyi Falade | Icon House, 4th Floor Plot 999F, Idejo Street, Off Adeola Odeku Street, Victoria Island, Lagos | 08058004953, 01-2713800-4 | info@crusaderpensions.com www.crusaderpensions.com | | |

Table 5.1: Contact Details of Operators

PENSION FUND ADMINISTRATORS (Cont'd)

| S/No | Name of Operator | Contact Persons | Address | Phone No. | E-mail and Web Addresses |
|------|---|---------------------------|--|--|---|
| 9 | Evergreen Pensions Limited | Clement E. John | 74 Abak Road, Uyo, Akwa Ibom State | 08033238845, 085-200285, 085- 200286, 085-200778 | info@evergreenpensions.com www.evergreenpensions.com |
| 10 | Fidelity Pension Managers Limited | Obi John | 2 Adeyemo Alakija Street, Victoria Island, Lagos | 08033090800, 01-4626968-9, 4626993, | info@fidelitypensionmanagers.com www.fidelitypensionmanagers.com |
| 11 | First Alliance Pension and Benefits Limited | Allan Walmsley | No.23, Aminu Kano Crescent, Wuse II, Abuja | 09-4139107, 4131231-4,4131239 | enquiries@firstalliancepension.com www.firstalliancepension.com |
| 12 | First Guarantee Pension Limited | Wilson Ideva | Plot 3, Idowu Martins Street, Victoria Island, Lagos. | 01-2613413, 2627132, 01-2610366 | info@firstguaranteepension.com www.firstguaranteepension.com |
| 13 | Future Unity Glanvills Pensions Limited | Usman B. Suleiman | Plot 1230B Bishop Oluwole Street, Victoria Island, Lagos | 08033435906, 01-4627060, 4627067 | usmangaus@yahoo.com www.fugpensions.com |
| 14 | IBTC Pension Managers Limited | Yinka Sanni | 5A Oko Awo Street off Adetokunbo Ademola Street, Victoria Island, Lagos. | 08034020096, 01-2716000 | pensionmanagers@ibtc.com www.ibtcpension.com |
| 15 | Leadway Pensure PFA Limited | Mrs. Aderonke Adedeji | Afric Place, No. 7 Afric Road, Off Western Avenue,Lagos | 01-2800850 | pensions@pensure-nigeria.com www.pensure-nigeria.com |
| 16 | Legacy Pension Managers Limited (PFA) | Bello Mohammed Maccido | No. 39, Adetokunbo Ademola Crescent, Wuse II, Abuja | 08033082184, 09-6738002 | info@legacypension.com www.legacypension.com |
| 17 | NLPC Pension Fund Administrators Limited | A. O. Kolawole | No. 312A, Ikorodu Road, Anthony, Lagos | 08034027008, 01-7610811-2, 01-4978534 | info@nlpcpfa.com www.nlpcpfa.com |

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PENSION FUND ADMINISTRATORS (Cont'd)

| S/No | Name of Operator | Contact Persons | Address | Phone No. | E-mail and Web Addresses |
|------|--|--------------------------------|---|---|--|
| 18 | Oak Pensions Limited | M. O. Olayinka | 15B, Oko Awo Street, Off Adetokunbo Ademola Street, Victoria Island, Lagos | 08034035601, 01-4616680, 4614075, 01-2627450 | info@oakpensions.com www.oakpensions.com |
| 19 | Penman Pensions Limited | Zakari Mohammed Sada | NACRDB Plaza, Link Block Independence Avenue, Central Business District, Abuja | 08033118833, 09-4138226-7, 2349280, 2349286, 6724542, 4619700-11 | info@penmanpensions.com www.penmanpension.com |
| 20 | Pensions Alliance Limited | Aigboje Higo Jnr. | 7th Floor, Bull Plaza, 38/39 Marina, Lagos | 08023153323, 01-7908858, 7908854 | info@pensionsalliance.com www.pensionsalliance.com |
| 21 | Premium Pension Limited | Aliyu AbdulRahaman Dikko | No. 7, Dar-Essalam Street, Off Aminu Kano Crescent, Wuse II, Abuja | 08035606044, 09-4615707, 09-4615700, 01- 2703501 | info@premiumpension.com www.premiumpension.com |
| 22 | Royal Trust Pension Fund Administrator Ltd | Okey J. Moka | Plot 2107 Tafawa Balewa Way, Area 3, Garki, Abuja | 09-2341151, 7800427, 09-7802508 | royalinfo@royaltrustpfa.com www.royaltrustpfa.com |
| 23 | Sigma Vaughn Sterling Pensions Limited | Adamu M. Modibbo | No. 29 Durban Street,Off Adetokunbo Ademola Crescent, Wuse II, Abuja | 08025014950, 09-4613333, 5237787, 09-5237816 | info@sigmapensions.com www.sigmapensions.com |
| 24 | Standard Alliance Pension Managers Limited | Akin O. Adeniyi | 9, Younis Bashorun Street, Off Ajose Adeogun Street, Victoria Island, Lagos | 01-4626921-3 | info@sapensionng.com www.sapensionng.com |
| 25 | Trustfund Pensions Plc | Bernard N. Ekwe | Plot 820/821, Labour House, Central Business District, Abuja | 08022901907, 09-6725777, 6725946 | enquiries@trustfundpensions.com www.trustfundpensions.com |

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| CLOS | CLOSED PENSION FUND ADMINISTRATORS (CPFA) | | | | | | | | |
|------|--|-----------------------------|--|---|--|--|--|--|--|
| S/No | Name of Operator | Managing Director | Address | Phone No. | E-mail and Web Addresses | | | | |
| 1 | Chevron Nigeria Pension Plan Limited | Laisi Olaniran Fashanu | SPG Complex (Agungi Bus Stop), Lekki/Ajah Express Way, Lagos | 01-2600600, 01-3660000, 01-3668111, 01-2600600 | oofa@chevron.com www.chevron.com/nigeria | | | | |
| 2 | Nestle Nigeria Trust (CPFA) Limited | Michael Olufemi Awotedu | 22/24 Industrial Avenue, Ilupeju, Lagos | 08034020172 | michael.awotedu@ng.nestle.com | | | | |
| 3 | Progress Trust CPFA Limited | Mrs. H.T. Lawani | Iganmu House, No 1, Abebe Village Road, Iganmu, Lagos | 08053184274 | Titi_lawani@heineken.nl www.progresstrustcpfa.com | | | | |
| 4 | Shell Nig. Closed Pension Fund Administrator Ltd | Mrs. 'Yemisi Ayeni | 11th Floor, Sterling Towers, 20 Marina, Lagos | 01- 2762007, 08024462007 | yemisi.ayeni@shell.com www.shellnigeria.com | | | | |
| 5 | Total (E and P) Nigeria CPFA Limited | Godwin Dike | Plot 25, Trans Amadi Industrial Layout, Portharcourt. | 084-236310 | goodwill.dike@total.com www.total.com | | | | |
| 6 | Unico CPFA Limited | Mrs. Muhibat O. I. Abbas | Niger House, 1-5 Odunlami Street, Lagos | 01-2661756, 7943025 | unico@uacnplc.com www.unicocpfa.com | | | | |

| PENS | PENSION FUND CUSTODIANS | | | | | | | |
|------|---|-----------------------------|--|---|--|--|--|--|
| S/No | Name of Operator | Managing Director | Address | Phone No. | E-mail and Web Addresses | | | |
| 1 | Diamond Pension Fund Custodian Limited | Emeka Osuji | 1A Tiamiyu Savage Street, Victoria Island, Lagos | 01-2713954, 2713680, 723161, 4613753, 08033066986 | info@diamondbank.com www.diamondpfc.com | | | |
| 2 | First Pension Custodian Nigeria Limited | Stephen Olabisi Onasanya | 124 Awolowo Road, Ikoyi, Lagos | 01-2692736 2713217- 8, 08022901946 | info@firstcustodiannigeria.com This e-mail address is being protected from spam bots, you need JavaScript enabled to view it www.firstpensioncustodian.com | | | |
| 3 | UBA Pensions Custodian Limited | Mrs. Oluwatomi A. Soyode | 30, Adeola Hopewell Street, Victoria Island, Lagos | 01 – 2800000, 08038077700 | ubapensions@ubagroup.com www.ubagroup.com | | | |
| 4. | Zenith Pensions Custodian Limited | Lara Alagbada | 2nd Floor, Zenith Heights, Plot 87, Ajose Adeogun Street, Victoria Island, Lagos | 01-2782900-30, 08022912607 | enquiries@zenithcustodian.com www.zenithcustodian.com | | | |

ANNUAL REPORT 51

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| PENSION FUND | ADMINISTRATORS | | | | |
|------------------------------------|---|--|---|--------------------------|--|
| PFA Name | Board of Directors | | Paid-up Share Capital (N ' million) | Number of Branches | External Auditors |
| Aiico Pension Managers | Chief (Dr) Rasheed Gbadamosi, OFR Mr. J.B. Akindeinde Chief (Dr) S.I. Adegbite OFR Chief (Dr) O. Fajemirokun Mr. S. D. A. Shobanjo Mr Adeboye Shonekan Mr. B. J. Oluwadiya Mr. O. S. Oyedokun | Chairman Managing Director/CEO Director Director Director Director Director Director | 400.0 | 6 | Ernst & Young (Chartered Accountants) Ebani house Marina side 62, Marina, Lagos Tel: 08023154731 |
| Amana Capital Pension Limited | Chief O.C. Harry JP Mr Modibbo Yusufu Aliyu Mohammed G. Shuaibu Mr. Effiong S.O. Onwionoko Mr. Abubakar Muhammed Mann Babajika Mustafa Yaro-Alhaji Jinjiri Mohammed Bashir Tukur Edward O. Akerele Usman A. Jada | Chairman Vice Chairman Managing Director/CEO Director Director Director Director Director Director Director Director Director | 300.0 | 1 | P. A. Adebimpe & CO. First Floor, Wema Bank Building, Central Business District, Abuja Tel: 08036858830 |
| Anchor Pension Managers Limited | Sen. (Dr.) Jonathan S. Zwingina Mr. Emmanuel U. Adejo Sen. Abdulazeez A. Ibrahim Sen. Nicholas Y. Ugbane Sen. Moh'd Inuwa Ahmed, mni Sen. Cosmas Goekur Niagwan Sen. Shehu Usman Albishir Isa Ahmed Ibrahim Jibo Magayaki | Chairman Managing Director/CEO Director Director Director Director Director Director Director | 244.9 | 1 | KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4, 01- 4630290-3 |

Table 5.2: Profile of Operators

| PFA Name | Board of Directors | | Paid-up Share Capital (N ' million) | Number of Branches | External Auditors |
|--|---|---|---|--------------------------|---|
| Apt Pension Funds Managers Limited | Al-Mujtaba Abubakar Gumi Hamza Sule Wuro Bokki Kasimu Garba Kurfi Ahmed Rufai Alti Danfuloti Kado Guga Hassan Usman | Chairman Managing Director/CEO Director Director Director Director | 150.5 | 3 | Muhtari Dangana & Co. (Chartered Accountants), 13 Ajesa Street, Off Aminu Kano Crescent, Wuse II, Abuja Tel: 09-4132590 |
| ARM Pension Managers Limited | Mr. Deji Ali Mr. Funsho Doherty Mr. Christopher Nonyelum Okeke Mr. Emmanuel Ikazoboh Ms Jumoke Ogundare Mr. George Amoaka Temeng | Chairman Managing Director/CEO Director Director Director Director | 380.0 | 13 | Akintola Williams Deloitte & Touche 235, Ikorodu Road, Ilupeju, Lagos Tel: 01-4930720-4 |
| Citi Trust Pension Managers Limited | Otunba Otukayode Otufale Mr. Olusegun Olusanya Chief Alex Duduyemi Chief Adedotun B. Adebonojo | Chairman/CEO Directors Directors Directors | 200.0 | 2 | Oyelami Soetan Adeleke & Co (Chartered Accountants), Kresta Laurel Complex, 4 th Floor, 376 Ikorodu Road, Maryland, Lagos Tel: 01-7744873, 4935391 |
| Crib Pension Fund Managers Limited | Chief Babajide Olatunde-Agbeja Mr. Peter Tai Adediji Alhaji Adedotun Ogunwoolu Mrs. Bola Onigbogi Mr. Adegboyega Isiaka Oyetola | Chairman Managing Director/CEO Director Director Director | 200.0 | 3 | SIAO (Chartered Accountants), 18B, Temple Road, Ikoyi, Lagos Tel: 01-4630867, 4630873 |
| Crusader Sterling Pension Limited | Olutola O. Mobolurin Adeniyi Falade Gabriel O. A. Oyelami W. Babatunde Dabiri Lanre Adesanya Joseph O. Ameh Bennedikter C. Molokwu Tofarati Agusto | Chairman Managing Director/CEO Director Director Director Director Director Director Director | 750.0 | 3 | KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4, 01-4630290-3 |

| PENSION FUND | ADMINISTRATORS | | | | |
|---|--|---|---|--------------------------|---|
| PFA Name | Board of Directors | | Paid-up Share Capital (N ' million) | Number of Branches | External Auditors |
| Evergreen Pensions Limited | Mr. Ini Utuk Mr. Clement John Mr. Ubong Awah Mrs. Comfort Essien Mrs. Ukeme Esang Mrs. Nsidem Akpan Roberts | Chairman Managing Director/CEO Director Director Director Director | 200.0 | 3 | Dan Oku & Co. (Chartered Accts. & Consultants) No. 2, Offiong Ekpo Close, Off. 65, Marian Extension, Calabar Tel: 08033181182 |
| Fidelity Pension Managers Limited | Major General Mohammed Magoro (Rtd) Mr. John Obi Mr Frank Onwu Mr. Reginald Ihejiahi Mr. Michael A. Osime Chief Christopher Eze | Chairman Managing Director/CEO Director Director Director Director | 350.0 | 4 | Akintola Williams Deloitte & Touche 235, Ikorodu Road, Ilupeju, Lagos Tel: 01-4930720-4 |
| First Alliance Pension & Benefits Limited | Dan Akujobi Allan Walmsley Sadiq Abubakar. Yar'adua M. T. Liman O.G. Martins Bruce Dunnington Arc. Thomas Awagu Jibrin D. Chinade | Chairman Managing Director/CEO Director Director Director Director Director Director Director | 253.5 | 3 | Akintola Williams Deloitte & Touche 235, Ikorodu Road, Ilupeju, Lagos Tel: 01-4930720-4 |
| First Guarantee Pension Limited | Olaiya O. Ojo Nze Chidi Duru Wilson Ideva Nnamdi Annamah Tsegba Terngu | Chairman Vice Chairman Ag. Managing Director/CEO Director Director | 200.0 | 8 | Spiropoulous, Adeleke, Okpara & Co, 16A Commercial Avenue, Crusader House 6th Floor Sabo Yaba, Lagos Tel: 01-7648699, 7744970 |
| Future Unity Glanvills Pensions Limited | Mrs. Elizabeth Ebi Mr. Usman B. Suleiman Mrs. Folasade Onanuga Mr. Richard Asabia Mr. D. P. O. Uju Mr. Kayode Pitan | Chairman Managing Director/CEO Executive Director Director Director Director | 200.0 | 4 | KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4, 01-4630290-3 |

| PFA Name | Board of Directors | | Paid-up Share Capital (N ' million) | Number of Branches | External Auditors |
|---|---|---|---|-----------------------|---|
| IBTC Pension Managers Limited | Atedo N A Peterside, OON Yinka Sanni Ahmed Dasuki Olusola A. David-Borha Austin Dresmann Okey Nwuke Francis Okumagba | Chairman Managing Director/CEO Director Director Director Director Director | 500.0 | 39 | PriceWaterhouseCoopers (PWC) Plot 252E Muri Okunola Street, Victoria Island, Lagos Tel.01-3203100,01-7744152 4 |
| Leadway Pensure PFA Limited | Lt. Gen. Garba Duba (Rtd) Mrs. Aderonke Adedeji Mr. Yugandhara S. Rao Oye Hassan Odukale Mr. Kofo Majekodunmi Mr. Tunde Hassan Odukale Mr. Ike Osakwe Mr. Wole Oshin Olutayo Odunsi | Chairman Managing Director/CEO Director Director Director Director Director Director Director Director | 500.0 | 22 | Akintola Williams Deloitte & Touche 235, Ikorodu Road, Ilupeju, Lagos Tel: 01-4930720-4 |
| Legacy Pension Managers Limited PFA | Mahey Rafindadi Rasheed Bello Maccido Mohammed Ahmed Lawan Kuru Baba Mohammed Aliyu Hassan Agwai Mohammed Hassan Danbaba Marafa Segun Fawora Alhaji Lamis Dikko | Chairman Managing Director/CEO Director Director Director Director Director Director | 150.0 | 1 | KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4, 01- 4630290-3 |
| NLPC Pension Fund Administrators Ltd. | J. O. Emmanuel A. O. Kolawole Mrs. C. O. Oyeleye Aliyu A. Alkali A. A. Adeyeye E. O. Eleoramo Sen. O. O. Omilani Chief F. R. A. Marinho | Chairman Managing Director/CEO Executive Director Director Director Director Director Director Director | 300.0 | 15 | Ajibade Durojaiye & Co (Chartered Accountants) 27 Ajayi – Aina Street Ifako-Gbagada Tel: 01-7747925, 08085526749 |

| PFA Name | Board of Directors | | Paid-up Share Capital (N ' million) | Number of Branches | External Auditors |
|------------------------------|---|---|---|-----------------------|---|
| Oak Pensions Limited | Mr. Ambrose Feese Mr. M. O. Olayinka Mrs. F. Babington- Ashaye Mr. Peter Ameadaji Mr. K.M. Sagoe Mr. M.I. Baba | Chairman Managing Director/CEO Director Director Director Director | 300.0 | 1 | KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4, 01- 4630290-3 |
| Penman Pensions Limited | (Dr.) Umaru A.Mutallab, CON Zakari Mohammed Sada Amb. Ibrahim Y. Abdullahi, OON Dr. Suleyman Ndanusa, OON Umaru Kwairanga Hassan Mamman Abdulkadir Idris Adekunle O. Alonge Engr. Boni C. Madubunyi | Chairman Managing Director/CEO Director Director Director Director Director Director Director | 250.0 | 1 | Pannel Kerr Forster 18/19 Ahmadu Bello Way, Kaduna Tel: 062-248600 |
| Pensions Alliance Limited | Rilwan Bello Osagie Aigboje Higo, Jnr. Hamda Ambah Dave Uduanu Daniel Agbor Dr. Timi Austen-Peters Koye Edu | Chairman Managing Director/CEO Director Director Director Director Director | 400.0 | 34 | KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4, 01- 4630290-3 |
| Premium Pension Limited | Mohammed Sabi'u Baba Aliyu A. Dikko Arc. Sale M.Yunusa Abdullahi Yahaya Umar Usman Zarma Arc. Yunusa Yakubu Dr. (Mrs) Virgy Anohu A.Y.B. Adeshina | Chairman Managing Director/CEO Director Director Director Director Director Director | 487.0 | 6 | PriceWaterhouseCoopers (PWC) Plot 252E Muri Okunola Stree Off Ajose Adeogun Street Victoria Island, Lagos Tel.01-2711700 |

| PENSION FUND AD | DMINISTRATORS | | | | |
|--|--|--|---|-----------------------|--|
| PFA Name | Board of Directors | | Paid-up Share Capital (N ' million) | Number of Branches | External Auditors |
| Royal Trust Pension Fund Administrator Limited | Owelle Prince C. N. Ukachukwu Okey J. Moka Prince Nasir Ado Bayero Hon. Ben Nwankwo Princess Millicent Ukachukwu Mr. Daniel Nwokedi Chief Fabian Nwaora Prince Tokunbo Sijuaweade | Chairman Ag. Managing Director/CEO Director Director Director Director Director Director Director | 300.0 | 1 | Adebisi Ogunnupe (Chartered Accountants) |
| Sigma Vauhgn Sterling Pensions Ltd | Alhaji Rasaki Oladejo Adamu M. Modibbo Rick Veringa Chief Cletus Imasuen Umaru H. Modibbo Mrs. Titilayo T. Adebiyi Mohammed A. Jalingo | Chairman Managing Director/CEO Director Director Director Director Director | 570.0 | 8 | Muhtari Dangana & Co (Chartered Accountants) Aminu Kano Crescent, Wuse II, Abuja Tel: 094132590, 08023316439 |
| Standard Alliance Pension Managers Limited | Mr.Olorogun O'tega Emerhor Mr. Adeniyi Akinyele Oludotun Mr. Bode Akinboye Mr. Patrick Bassey Alhaji Ahmed Salawudeen Mr. Austin Enajemo-Isire | Chairman Managing Director/CEO Director Director Director Director | 200.0 | 1 | Muhtari Dangana & Co (Chartered Accountants) Aminu Kano Crescent, Wuse II, Abuja Tel: 09-4132590, 08023316439 |
| Trust Fund Pensions Plc | Mr. Bernard N. Ekwe | Ag. Managing Director/CEO | 800.0 | 1 | Ernst & Young (Chartered Accountants), Ebani house Marina side 62, Marina, Lagos Tel: 01-2661462, 2662881 |
| | | | | | Muhtari Dangana & Co (Chartered Accountants) Aminu Kano Crescent, Wuse II, Abuja Tel: 09-4132590, 08023316439 |

| CPFA Name | Name of Director | Appointment | External Auditors |
|---|---|---|--|
| Chevron Nigeria Pension Plan Limited | F. D. Nelson Laisi O. Fashanu Steve L. Howard Tom G. Hoffman Sally O. Udoma Emmanuel O. Imafidon | Chairman Managing Director/CEO Director Director Director Director | PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island, Lagos |
| Nestle Nigeria Trust (CPFA) Limited | Klaus P. Wachsmuth M. O. Awotedu S. O. Solesi Jacques Vauthier | Chairman General Manager/CEO Director Director | KPMG Professional Services 22A Gerrard Road, Ikoyi, Lagos |
| Progress Trust CPFA Limited | M.J. Herkemij Mrs. H.T. Lawani Aj. M. Blum E.E. Imoagene M.C. Anyanwu C.O. Oke V.N. Onwuadiamu E.F. Ahiakwo | Chairman Managing Director/CEO Director Director Director Director Director Director Director | PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island, Lagos |
| Shell Nig. Closed Pension Fund Administrator Ltd | Basil E. Omiyi Chimaobi J. Ibeneche Mrs. Yemisi Ayeni Osagie Okunbor Mr. Felix O. A. Ohiwerei Mrs. Claire Ighodaro | Chairman Alternate Chairman Managing Director/CEO Director Director Director | PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island, Lagos |
| Total (E and P) Nigeria CPFA Limited | Emmanuel Chiejina Godwill Dike Ray Onatu Pascal Raab Obembe Olubumi Oyibukure Egbevurie Michael Anwankuo Dornu Kogam | Chairman Managing Director/CEO Director Director Director Director Director Director Director | KPMG Professional Services 22A Gerrard Road, Ikoyi, Lagos |

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| CLOSED PENSION FUND ADMINISTRATORS | | | | |
|------------------------------------|---|---|--|--|
| CPFA Name | Name of Director | Appointment | External Auditors | |
| UNICO CPFA Limited | Joshua Ayodele Ajayi Mrs. Muhibat O. Idowu Abbas Julius O. Oshomoji Olayiwola A. Adetomiwa Adeoye A. Abidogun Larry Ephariam Ettah | Chairman Managing Director/CEO Director Director Director Director | Messrs Akintola Williams Deloitte & Touche, 235, Ikorodu Road, Illupeju, Lagos | |

| PENSION FUND CUSTO | DDIANS | | | |
|--|--|---|--|---|
| CPFA Name | Name of Director | Appointment | Paid-up Share Capital (₦' million) | External Auditors |
| Diamond Bank Custodian Nigeria Limited | Pascal G. Dozie Emeka Osuji Ohis Ohiwerei Dr. Yerima Ngama HRM. N. Alfred Ugochukwu Prof. T. A. J. Ogunbiyi Engr. M. Ufoeze Chris Ofikulu Emeka Onwuka | Chairman Managing Director/CEO Director Director Director Director Director Director Director | 2,000 | PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island, Lagos |
| First Pension Custodian Nigeria Limited | Chief (Dr) Joseph Sanusi,CON Mr. Stephen O. Onasanya Alhaji Muhammadu Ibrahim,OFR Alhaji Abdullahi Mahmoud Dr. Ayoola Oba Otudeko,OFR Mr. Jacobs Moyo Ajekigbe | Chairman Managing Director/CEO Director Director Director Director | 2,000 | KPMG Professional Services 22A Gerrard Road, Ikoyi, Lagos |
| UBA Pensions Custodian Limited | Victor Odozi Mrs. Tomi Soyode Tony Elumelu, MFR Victor Osadolor Bismarck Rewane Suzanne Soboyejo-Iroche Bello Garba | Chairman Managing Director/CEO Director Director Director Director Director | 2,000 | Messrs Akintola Williams Deloitte & Touche, 235, Ikorodu Road, Illupeju, Lagos |
| Zenith Pensions Custodian Limited | Jim Ovia Lara Alagbada Vincent Ebuh Godwin Emefiele Elias Igbin- Akenzua Peter Amangbo Apollos Ikpobe Adaora Umeoji Osadebe Osakwe Prof. Grace Alele Williams | Chairman Managing Director/CEO Director Director Director Director Director Director Director Director Director | 2,000 | PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island, Lagos |

ANNUAL REPORT 60

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