

Corporate Vision and Mission

Vision

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

Mission

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

SECTION ONE

Pension Operating Environment

1.1 Macroeconomic Development

The pension industry operated under a declined macroeconomic environment in the second quarter of 2015 when compared to the first quarter. The real Gross Domestic Product (GDP) grew by 2.35 percent in the review period, representing a decline of 1.61 percent from the growth recorded in the first quarter of 2015.

In addition, the general price level slightly improved in the second quarter of 2015 with the inflation rate marginally down to 8.4 percent from 8.5 percent of the preceding quarter. The reduction in inflation rate resulted in real return of 6.69 percent on pension fund investment during the quarter with an annualized rate of return of 14.65 percent.

1.2 Developments in the Money Market

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

Interest rate developments in the market showed some levels of moderation relative to what obtained in the first quarter of the year. This was a consequence of liquidity mop-up in the banking industry. For example, the average interbank call rate which was 15.43 percent in the first quarter marginally declined by 0.28 percent to close at 15.17 percent in the second quarter. Similarly, the rates on deposits of various maturities was in the range of 8.90 and 9.47 percent in the first quarter, but decreased to the range of 8.16 and 9.28 in the quarter under review. However, the spread between the average term deposit and maximum lending rates increased from 19.48 percent in the first quarter to 10.14 percent in the second quarter, representing a marginal increase of 0.68 percent.

At the primary segment of the market, the sum of ~~N~~31.19 billion, ~~N~~39.34 billion and ~~N~~50 billion were offered for 91-, 182- and 364-day Nigerian Treasury Bills (NTBs) respectively. The levels of subscriptions were ~~N~~31.32, ~~N~~41.89 billion and ~~N~~93.10 billion and the amounts allotted were ~~N~~31.19 billion, ~~N~~39.34 billion and ~~N~~50 billion respectively. The levels of oversubscription for the NTBs of different maturities were 0.42 percent for the 91 day, 6.48 percent for the 182 day and 86.2 percent for the 364-day. The return on the NTBs of various

maturity, which on the average was 10.99 percent in the first quarter declined by 0.92 percent to close at 10.07 percent in the quarter under review.

1.3 Developments in the Bond Market

The period under review did not witness the issuance of any new FGN Bonds. However, there was reopening of the 5-, and 20-year tranches during the review period and an opening of 10-year tenor bond. For the 5- and 10-year tenors, the amount on offer during the quarter was in the range of ₦15 and ₦35 billion, while for the 20-year tenor, the amount on offer was in the range of ₦15 and ₦25 billion.

The marginal rates for the bonds ranged from 12.15 to 15.54 percent compared to 12.00-15.49 percent, in the preceding quarter. The rise in yield during the review period could be attributed to the fall in both the demand and the level of liquidity in the system.

1.4 Developments in the Stock Market

Indicators from the Nigerian Stock Market expressed bullish tendency in the second quarter of 2015. The market capitalization moved from ₦16.25 trillion in the first quarter of 2015 to ₦17.02 trillion in the review period, representing 5.0 percent increase.

The NSE All share Index (NSE ASI) during the quarter closed at 33,456.83 over the preceding quarter of 31,744.82, representing an increase of 13.39 percent over first quarter figures.

However, both the volume and value of traded share declined from 25.94 billion and ₦279.21 billion as at the end of first quarter to 24.07 billion and ₦278.15 billion respectively as at end of second quarter.

SECTION TWO

Regulatory and Supervisory Activities

The Commission continued its consultative philosophy in the regulation and supervision of the industry. The risk-based examination approach was continuously implemented as a way of promoting transparency and providing early warning signals to encourage pension operators to regularly self-evaluate their positions.

2.1 Surveillance of the Pension Industry

The Commission had conducted Routine Examinations on Eleven (11) operators during the second quarter.

The examination was risk based and covered eleven (11) broad areas which included The Company, Board and Management, Information and Communications Technology, Pension Administration, Benefits Administration and Payments, Fund Management, Fund Accounting, Risk Management, Compliance, Internal Control as well as Service Delivery. The Commission also carried inspection on selected branch offices of Operators that had reached the threshold of ₦ 100 billion of value of funds under management. The exercise was to ascertain the quality of services operators render to their clients at the branches and service centers.

a) Compliance Reports

The major issues observed from the review of the compliance reports forwarded by the operators during the quarter ended were non-compliance with investment limits by some PFAs, un-credited pension contributions, delay in the payment of retirement benefits to retirees, receipt of pension contributions without appropriate schedules, huge backlog of unresolved customers' complaints, failure to fill vacant top management positions and non-implementation of Disaster Recovery Plans.

The Commission had forwarded letters to the operators involved on the issues and monitored their responses with a view to resolving them. In addition, violation of investment regulations were escalated to the Investment Supervision Department for further action.

b) Actuarial Valuation

The Commission had during the quarter ended 30, June, 2015, received and reviewed 5 Actuarial Valuation Reports in respect of 5 Defined Benefit Schemes for the financial year ended 31 December, 2014. The review of all the 5 reports revealed that only one of the 5 schemes recorded surplus of ₦180.18 million,

while the remaining 4 Schemes recorded ~~N~~130.98, N16.74 million, ~~N~~2.93 billion and ~~N~~121.49 million deficits respectively. The Commission had written the concerned sponsors to come up with funding arrangement to defray the deficits as per the approval agreement.

c) Corporate Governance

During the quarter under review, the Commission received and reviewed 29 Corporate Governance reports from Licensed Pension Fund Operators for the financial year ended 31 December, 2014. The review of the reports indicated violations of the Code of Corporate Governance by the Operators in the areas of non-submission of performance evaluation reports of their respective Boards of Directors, Boards Committees and individual Directors as well as inadequate attendance by Board members to both Board and Committee meetings. The affected operators had been accordingly advised through letters on the aforementioned issues and were all expected to demonstrate improvements subsequently.

2.1.1 Update on Returns Rendition System

As part of the their obligations to the Commission, 29 Licensed Pension Operators comprising 18 PFAs and 7 CPFAs and 4 PFCs have rendered returns on the Funds under their management/custody as well as their companies accounts to the Commission through Risk Management Analysis System (RMAS) for the quarter ended 30 June, 2015.

The review of returns rendered so far indicated an increase in the pension assets under operators' management.

2.1.2 Resolution Activities

First Guarantee Pension Managers Limited remained under the regulatory intervention of the Commission following the appointment of an Interim Management Committee to superintend over the affairs of the PFA in August, 2013. The Commission had been working with the PFA towards the resolution of the issues that led to the regulatory intervention.

2.2 Compliance and Enforcement Activities

The Commission continued to apply various strategies to ensure compliance with the provisions of the Pension Reform Act (PRA) 2014, which included the

application of sanctions and collaboration with key stakeholders on public enlightenment campaigns. Similarly, the agents employed by the Commission had continued to recover outstanding pension contributions with interest penalties from all erring eligible employers.

2.2.1 Update on Compliance by the Private Sector

During the quarter, the Commission received 1,268 applications for the issuance of compliance certificates. Out of these applications, compliance certificates were issued to 929 organizations while applications from 339 were turned down due to non-remittance of pension contributions for the appropriate period and non-provision of Group Life Insurance Policy for their employees.

2.2.2 Transfer of Nigeria Social Insurance Trust Fund (NSITF) Contributions to Members RSAs

The Commission continued the supervision of the transfer of NSITF contributions into beneficiaries' RSAs during the quarter under review. In this regard, 1,084 applications for the transfer of contributions amounting to ₦77.5 million were received. The Commission processed and granted "no objections" to Trustfund Pensions Plc to transfer an amount totaling ₦68.8 million to 995 contributors. On the other hand, 35 applications for ₦2.5 million were rejected due to incomplete documentations. This brought the total NSITF contributions transferred to Retirement Savings Account to ₦9.01 billion. The amount was transferred on behalf of 124,871 NSITF contributors.

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

During the quarter, the Commission maintained the services of consultants to follow-up and recover the outstanding pension contributions with penalty from defaulting employers. Following the issuance of demand notices to defaulting employers whose liabilities had been established by the consultants, some employers had been remitting the outstanding pension contributions and penalty. During the quarter, the sum of about ₦1.007 billion representing principal contributions of ₦435.78 million and penalty ₦571.86 million were recovered. This brings the total recoveries made to date to ₦ 7.74 billion.

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

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

2.3 Other Compliance Efforts

(a) Implementation Update by the State Governments

State Governments continued to make progress in the level of implementation of the Contributory Pension Scheme (CPS). In the second quarter of 2015, 25 States Governments had enacted their pension laws, 11 States were at the Bill stages. A breakdown of the level of implementation of the CPS is presented in Table 2.1

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

S/N	State	Remittance of Contribution	Accrued Rights	Group Life Insurance
1	Jigawa	Assets transferred to 6 PFAs for management	N/A	N/A
2	Lagos	Commenced	Funded	Implemented
3	Ogun	Commenced	Funded	Not implemented
4	Kaduna	Commenced	Funded	Not implemented
5	Niger	Commenced	Funded	Implemented
6	Delta	Commenced	Funded	Not Implemented
7	Zamfara	Commenced	Not funded	Not implemented
8	Osun	Commenced	Funded	Implemented
9	Rivers	Commenced	Funded	Implemented
10	Kano	Assets yet to be transferred	N/A	N/A
11	Imo	Yet to commence remittance of pension contributions, but the Imo State University is currently implementing the CPS under the auspices of the PRA 2014	Not funded	Not implemented
12	Kebbi	Yet to commence	Not funded	Not implemented
13	Sokoto	Yet to commence	Not funded	Not implemented
14	Ekiti	Yet to commence	Not funded	Not implemented
15	Kogi	Yet to commence	Not funded	Not implemented
16	Bayelsa	Yet to commence	Not funded	Not implemented

S/N	State	Remittance of Contribution	Accrued Rights	Group Life Insurance
17	Nasarawa	Yet to commence	Not funded	Not implemented
18	Oyo	Yet to commence	Not funded	Not implemented
19	Katsina	Yet to commence	Not funded	Not implemented
20	Akwa Ibom	Yet to commence	Not funded	Not implemented
21	Edo	Yet to commence	Not funded	Not implemented
22	Ondo	Yet to commence	Not funded	Not implemented
23	Benue	Yet to commence	Not funded	Not implemented
24	Kwara	Yet to commence	Not funded	Not implemented
25	Plateau	Yet to commence	Not funded	Not implemented
26	Cross River	Yet to commence	Not funded	Not implemented
27	Anambra	Commenced	Funded	Not implemented
28	Enugu	Yet to commence	Not funded	Not implemented
29	Abia	Yet to commence	Not funded	Not implemented
30	Ebonyi	Yet to commence	Not funded	Not implemented
31	Taraba	Yet to commence	Not funded	Not implemented
32	Bauchi	Yet to commence	Not funded	Not implemented
33	Borno	Yet to commence	Not funded	Not implemented
34	Gombe	Yet to commence	Not funded	Not implemented
35	Yobe	Yet to commence	Not funded	Not implemented
36	Adamawa	Yet to commence	Not funded	Not implemented

Table 2.1 further shows that nine out of the 36 states had commenced remittance of contributions into the RSAs of their employees. Similarly, Six States have commenced the funding of their Retirement Benefit Bond Redemption Fund Accounts (RBBRFAs).

SECTION THREE

Pension Industry Statistics

3.1 Scheme Memberships

The pension industry witnessed 1.76 percent growth in the scheme membership during the second quarter of 2016 rising from 6,581,031 contributors at the end of the preceding quarter to 6,696,793 in the reporting period. The expansion in industry membership was solely driven by Retirement Savings Account (RSA) Scheme. Membership of the Closed Pension Fund Administration Scheme (CPFA) experienced a negative growth while membership of the Approved Existing Scheme (AES) remained unchanged. See Table 3.1.

Table 3.1 Scheme Memberships as at Second Quarter, 2015

Scheme	Q4:2014	Q1:2015	Q2:2015	% change (Q1: 2015 and Q2:2015)
RSA	6,395,669	6,515,736	6,631,539	1.76
CPFA	24,365	24,344	24,303	(0.001)
AES	40,951	40,951	40,951	0.00
Total	6,460,985	6,581,031	6,696,793	1.76

Note: Figures in parenthesis represent decrease

It is important to note that the PRA 2014 had closed new registrations onto the CPFA and AES. Therefore, given that memberships of these schemes were restricted to staff of the sponsoring organizations, memberships can only reduce through retirements and deaths.

3.1.1 Membership of RSA

A breakdown of the RSA registrations indicates a 1.35 percent (42,230) increase in registrations from the public sector, with had a total registration of 3,174,510. This figure represented 47.87 percent of the total RSA registration as at the end of the second quarter of 2015, as shown in Table 3.2.

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

Age Range	Public Sector		Private Sector		Total		Grand Total	
	Male	Female	Male	Female	Male	Female	Number	%
Less than 30 yrs	149,722	63,462	372,306	165,672	522,028	229,134	751,162	6.72
30 - 39 yrs	484,948	258,380	351,483	57,969	836,431	316,349	1,152,780	23.42
40 - 49 yrs	139,073	47,230	78,470	8,483	217,543	55,713	273,256	5.87
50 - 59 yrs	722,869	359,900	1,127,880	404,586	1,850,749	764,486	2,615,235	34.11
60 - 65 yrs	558,876	349,316	680,866	171,902	1,239,742	521,218	1,760,960	28.61
above 65 yrs	33,326	7,408	34,230	3,182	67,556	10,590	78,146	1.28
Total	2,088,814	1,085,696	2,645,235	811,794	4,734,049	1,897,490	6,631,539	100

The private sector had continued to lead in the RSA membership with 52.13 percent (3,457,029) of the total RSA registrations as at the reporting period. The sector also witnessed a higher growth of 2.17 percent (73,573) than that of the public sector in the quarter under review. This can be attributed to the increase level of compliance by the private sector as a result of the various steps taken by the Commission to improve compliance and coverage, as well as marketing strategies of the PFAs.

Further analysis of the demography suggests that RSA members under the age of 50 years distribution accounted for about 33 percent of the total RSA registration. The age categories “50 – 59” and “60 – 65” represents 39.41 percent of the total registrations during the quarter.

3.1.2 RSA Registrations by PFA Market Share

The ranking of PFAs by number of registered contributors showed a redistribution of the market share. While the market share of the bottom three, five and ten PFAs grew, those of the top three, five and ten slightly dipped as at end of second quarter of 2015. The share of bottom five and ten PFAs increased from 2.57 and 13.71 percent in Q1 to 2.68 and 13.92 percent as at the reporting period respectively. However, the market share of top five and ten dropped from 61.23 and 86.29 percent in the previous quarter to 60.99 and 86.08 percent during the quarter under review.

Table 3.3: RSA Registration by Market Share

PFA Ranking	Q1:15 (%)	Q2:15 (%)
Top 3	44.50	44.20
Top 5	61.23	60.99
Top 10	86.29	86.08
Bottom 3	1.07	1.14
Bottom 5	2.57	2.68
Bottom 10	13.71	13.92

The numbers from Table 3.3 further indicate that the share of the top three PFAs had reduced from 44.50 percent as at the end of first quarter of 2015 to 44.20 percent as at the second quarter of the same year. The share of the bottom three PFAs increased by 0.07 percent from 1.07 percent as at the end of first quarter, 2015 to 1.14 percent as at the end of the quarter under review.

Table 3.4 revealed that the range of market share of RSA registrations by number of PFAs shows that 75 percent of the PFAs had registered less than 500,000 RSA contributors. The table also shows that five PFAs (25 percent) registered above 500,000 RSA contributors during the quarter. This position reflected the same range of market share of the registrations by number of PFA as recorded during the previous quarter.

Table 3.4: Range of RSA Registration per PFA

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

3.1.3 Memberships of CPFA and AES

The total memberships of licensed CPFAs and AESs were 24,303 and 40,951 respectively as at the end of the second quarter of 2015 as shown in Tables 3.5 and 3.6. A review of the Table shows a decline of 0.17 percent in the membership of the CPFAs from the figures of the last quarter, while that of the AESs remained unchanged through the quarters. The breakdown of the memberships of the CPFA and AES are presented in Tables 3.5 and 3.6 below.

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

Enrolment Type	Number			Percentage of Total	
	Q4:2014	Q1:2015	Q2:2015	Q1:2015	Q2:2015
Active Members	17,935	17,883	17,760	73.46	82.93
Existing Pensioners	5,835	5,866	5,948	24.10	12.93
Deferred Pensioners	595	595	595	2.44	4.14
Total	24,365	24,344	24,303	100.00	100.00

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

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

Enrolment Type	Number			Percentage of Total	
	Q4:2014	Q1:2015	Q2:2015	Q1:2015	Q2:2015
Active Members	24,255	24,255	24,255	59.23	59.23
Current Pensioners	15,313	15,313	15,313	37.39	37.39
Deferred Pensioners	149	149	149	0.39	0.39
Dependants	1,234	1,234	1,234	3.01	3.01
Total	40,951	40,951	40,951	100.00	100.00

Note: Dependants are protégés of deceased pensioners.

3.2 Pension Contributions

The total pension contribution made by both the public and private sectors into the RSA Scheme was N3.04 trillion as at the end of Q2, 2015. This marked an increase of N87.82 billion in the second quarter of 2015, representing 2.97 percent increase over the total pension contribution as at the previous quarter. Furthermore, the public sector contributions were lower than that of the private sector during the review period. Overall, while the cumulative contributions of the public sector accounted for 56.11 percent of the total, the private sector contributions represented 43.89 percent.

Table 3.7: Pension Contributions

Year/Quarter	Public Sector		Private Sector		Total	
	Amount (N billion)	% of Total	Amount (N billion)	% of Total	Amount (N billion)	% of Total
2004	15.60	.0.91	-	-	15.60	0.51
2005	34.68	2.03	-	-	34.68	1.14
2006	37.38	2.19	23.03	1.73	60.41	1.99
2007	80.63	4.73	68.34	5.12	148.97	4.90
2008	99.28	5.82	80.81	6.05	180.09	5.92
2009	137.10	8.04	91.21	6.83	228.31	7.51
2010	162.46	9.52	103.03	7.72	265.49	8.73
2011	228.92	13.42	119.53	8.96	348.45	11.46
2012	331.14	19.41	174.43	13.07	505.57	16.63
2013	278.50	16.32	225.42	16.89	503.92	16.57
2014	237.76	13.93	343.97	25.77	581.73	19.13
Q1:2015	27.50	1.61	52.37	3.92	79.87	2.63
Q2:2015	35.27	2.07	52.55	3.94	87.82	2.89
Total	1,706.22	100.00	1,334.69	100.00	3,040.91	100.00

The pension contribution of the private sector increased from ₦1.28 trillion as at first quarter of 2015 to ₦1.33 trillion as the second quarter of the same period representing a growth of 4.10 percent.

3.2.1 Contributions by Rank of PFA

The ranking of PFAs by total pension contributions indicates that the top 5 PFAs received 67.95 percent of the total contributions into the RSAs of their members in the quarter under review. The top 10 ranking PFAs accounted for 90.37 percent of the total contributions. The bottom 5 and 10 ranking PFAs received total pension contributions of ₦48.38 billion and ₦279.65 billion into the RSAs of their members, representing 1.67 and 9.63 percent respectively.

Table 3.8: PFA Ranking by Size of Contributions as at Q2: 2015

Rank	Amount (N' billion)	Percentage of Total
Top 10	2,624.70	90.37
Top 5	1,973.37	67.95
Bottom 10	279.65	9.63
Bottom 5	48.38	1.67

3.3 Pension Fund Investment

The total value of pension assets as at second quarter of 2015 grew to ~~N~~4.96 trillion from ~~N~~4.80 trillion recorded as at the preceding quarter, representing an increase of ~~N~~157.19 (3.27 percent). The breakdown of the pension assets is shown in Table 3.9.

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

Fund/Period	Q4:2014		Q1:2015		Q2:2015		Change between Q1:2015 & Q2:2015	
	N Billion	% of Total	N Billion	% of Total	N Billion	% of Total	N Billion	% of Total
RSA Active	2,929.29	63.52	3,037.15	63.24	3,190.98	64.33	153.83	97.86
RSA Retiree	364.35	7.90	426.36	8.88	400.52	8.07	-25.84	(16.44)
CPFAs	662.83	14.37	696.02	14.49	714.15	14.40	18.13	11.53
AESs	654.82	14.20	643.38	13.40	654.45	13.19	11.07	7.04
Total	4,611.29	100.00	4,802.91	100.00	4,960.09	100.00	157.19	100.00

Table 3.9 revealed that RSA active fund had the highest portion of the total pension fund, accounting for 64.33 percent (~~N~~3,190.98) of total. The RSA active also accounted for 97.86 percent of the total growth of the pension fund. The CPFAs and AESs assets stood at ~~N~~714.15 billion and ~~N~~654.45 billion representing 14.40 and 13.19 percent respectively. The RSA Retiree Fund had ~~N~~400.52 billion, representing 8.07 percent of the total pension funds during the quarter.

A review of the pension industry investment portfolio as revealed in Table 3.10 shows that the FGN securities accounted for 64 percent of the total portfolio of the pension funds in the quarter. This was made up of FGN Bonds, 51 percent and Treasury Bills, 12 percent..

Investments in domestic money market recorded the highest growth of 31 percent from ~~N~~436.28 billion investment as at the first quarter of 2015 to ~~N~~571.28 billion in the period under review representing 12 percent of the total investment portfolio. The value of investment in the domestic ordinary shares increased from ~~N~~512.74 billion to ~~N~~560.88 billion in the quarter. The proportion of the ordinary shares remained stable at 11 percent in both the current period and last quarter. However, the current value of investments in ordinary shares

showed 9 percent growth over the value in the previous quarter. This was primarily due to appreciation in the market prices of investments in quoted equities.

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

Asset Class	30-Jun-15		31-Mar-15		Variance (Mar 2015-Jun 2015)	
	N' Billion	%	N' Billion	%	N' Billion	%
Quoted Ordinary Shares	560.88	11.31	512.74	10.80	48.14	9.39
FGN Securities:						
FGN Bonds	2,537.68	51.16	2,594.81	54.67	-57.13	-2.20
Treasury Bills	622.94	12.56	548.08	11.55	74.86	13.66
State Govt. Bonds	161.29	3.25	172.45	3.63	-11.16	-6.47
Corporate Debt Securities	144.06	2.90	121.83	2.57	22.23	18.25
Supranational Bonds	12.8	0.26	12.47	0.26	0.33	2.65
Money Market Instruments	571.27	11.52	436.28	9.19	134.99	30.94
Open/Close-End Funds	21.37	0.43	21.27	0.45	0.1	0.47
Real Estate Property	213.08	4.30	210.14	4.43	2.94	1.40
Private Equity Funds	12.55	0.25	13.53	0.29	-0.98	-7.24
Infrastructure Funds	1.19	0.02	0	0.00	1.19	100.00
Foreign Investments:						100.00
Equities	71.25	1.44	71	1.50	0.25	0.35
Money Market Instruments	0.22	0.00	0.62	0.01	-0.4	-64.52
Cash & Other Assets	29.52	1%	30.78	1%	(1.26)	(4%)
Net Assets Value	29.52	0.60	30.78	0.65	-1.26	-4.09

Table 2 – Industry Pension Fund Assets as at 31 March, 2015 and 30 June, 2015.

Investments in foreign instruments shrank over the quarter. In a similar vein, foreign money market instruments contracted by 65 percent from ₦0.66 billion in the previous quarter to ₦0.22 billion as at end of second quarter of 2015.

The value of investments in FGN Bonds slightly decreased by ₦57.13 billion (2%) due to declining yields. In contrast, the value of investments in Treasury Bills and Money Market Instruments increased by ₦74.86Billion (14%) and ₦134.99Billion (31%), respectively, due to new investments. The value of investment in State Government Bonds decreased by ₦11.16 billion (6%) due to partial redemptions and coupon payments.

There were new investments of ₦1.19 billion by pension funds in a US\$150million Infrastructure Fund recently launched by a local infrastructure fund manager. The Infrastructure Fund satisfied all the requirements of the Investment Regulation, hence, PFAs were allowed to make the investment.

3.3.2 PFA Ranking by Size of RSA Assets

A review of PFAs' rank by size of RSA assets shows that the top three and five PFAS accounted for more than half of the total RSA asset at 54.80 and 68.00 percent respectively at the end of the second quarter, 2015. The top ten ranking PFAs managed 88.18 percent of the total RSA assets in the quarter.

Table 3.11: Rank of PFA by Asset Size

PFA Rank	Q2:2014		Q1:2015		Q2:2015	
	Amount (₦' Billion)	% of Total Pension Assets	Amount (₦' Billion)	% of Total Pension Assets	Amount (₦' Billion)	% of Total Pension Assets
Top 3	1,635.66	52.10	1,851.50	55.47	1,943.97	54.80
Top 5	2,020.50	64.36	2,300.55	68.93	2,411.86	68.00
Top 10	2,855.27	90.95	2,967.38	88.91	3,127.92	88.18
Bottom 3	25.28	0.81	12.71	0.38	14.18	0.40
Bottom 5	72.85	2.32	52.30	1.57	56.96	1.61
Bottom 10	283.35	9.03	267.81	8.02	307.39	8.67

The bottom three, five and ten ranking PFAs showed improvement in the proportion of holdings of the RSA asset over the previous quarter with 0.40, 1.61 and 8.67 percent respectively.

3.4 Retirement/Terminal Benefits

3.4.1 Retirees on Programmed Withdrawal

The total number of retirees on Programmed Withdrawal (PW) increased from 106,421 in the first quarter, 2015 to 111,756 in the second quarter of 2015. The increase represented 5,335 retirees (5.01 percent) as shown in Table 3.12. A breakdown of the total number of retirees shows that while the public sector accounted for 84,546 retirees, the private sector recorded 24.35 percent of the total retirees in the quarter.

Table 3.12: Number of Retirees on PW as at the end of Second Quarter, 2015

Period	Public		Private	Total	Lump sum (N Million)	Average Total Monthly PW (N Million)
	FGN	State				
Inception to Q1: 2015	75,174	6,007	25,240	106,421	257,432.85	3,306.54
Q2: 2015	2,577	788	1,970	5,335	13,300.55	3,540.43
Total	77,751	6,795	27,210	111,756	270,733.40	6,846.97

Note: Public Sector refers to both Federal and State Governments

The Table further shows that the monthly lump sum withdrawals stood at ₦13.30 billion in the quarter, which cumulatively amounted to ₦270.73 billion from inception to the end of the reporting quarter. An average of ₦3.54 billion was paid on monthly basis to the retirees under the Programmed Withdrawal during the period.

3.4.2 Retirement by Annuity

The Commission approved a total of 2,492 applications for annuity retirement plan in the quarter, bringing the total number of retirees receiving their retirement benefits through the annuity plan to 18,468. The 2,492 retirees received ₦2.27 billion as lump sum payment and paid annuity premium of ₦12.34 billion in the month cumulating to a total of ₦28.36 billion and ₦91.52 billion as lump sum and premium paid to insurance companies respectively from inception to the end of the reporting period.

Table 3.13: Retirement by Annuity as at the end of Q2:2015

Period	Public		Private	Total	Lump sum (N Million)	Premium (N Million)	Annuity (N Million)
	FGN	State					
Inception to Q1: 2015	10,855	1,432	3,689	15,976	26,094.67	79,180.50	790.10
Q2:2015	1,599	240	653	2,492	2,266.73	12,337.06	128.90
Total	12,454	1,672	4,342	18,468	28,361.40	91,517.56	919

3.4.3 Withdrawal of 25 Percent of RSA Balances

During the quarter under review, approval was granted for payment of ₦1.12 billion to 6,798 RSA holders under the age of 50 years that were disengaged from work and were unable to secure another job within 4 months of disengagement.

Furthermore, an analysis of Table 3.14 showed that the private sector accounted for 89.95 percent of the disengaged RSA holders. In total, 110,959 RSA holders were paid 25 percent of their RSA balances amounting to ₦2.657.38 billion as at the end of second quarter of 2015.

Table 3.14: Withdrawal of 25% of RSA Balance in the Second Quarter of 2015

Period	Public		Private	Total	Total RSA Balance (₦ Million)	Total 25% Request (₦ Million)
	FGN	State				
Inception to Q4:2014	3,812	980	99,368	104,161	6,982.28	2,376.86
Q1: 2015	236	447	6,115	6,798	1,121.08	280.52
Total	4,049	1,427	105,483	110,959	8,103.36	2,657.38

3.6 Approval of Death Benefits

The death benefits of 1,034 deceased employees with total value of ₦3.37 billion was approved for payment to the beneficiaries/administrators of the employees during the review period. Cumulatively, 28,405 beneficiaries were paid ₦80.54 billion as death benefits of deceased employees of both the private and public sector as at the end of the second quarter, 2015.

Table 3.16: Approval of Death Benefits as at Q2:2015

Sector	Public		Private	Total	Total Amount Paid (₦ Million)
	FGN	State			
Inception to Q2:2015	21,940	734	4,697	27,371	77,178.60
Q2: 2015	681	155	198	1,034	3,366.04
Total	22,621	889	4,895	28,405	80,544.64

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