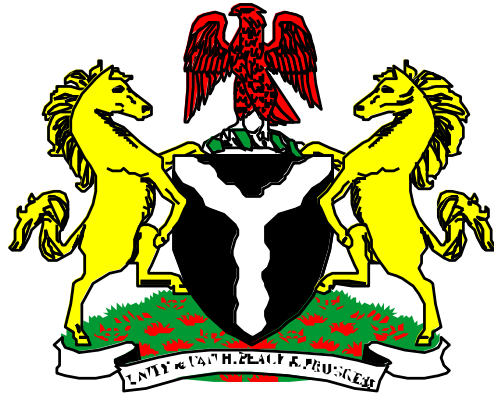


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**NATIONAL PENSION COMMISSION
(PenCom)**

2012 ANNUAL REPORT
& Statement of Accounts

CORPORATE VISION AND MISSION STATEMENT

Corporate Vision

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

Mission Statement

“To be an effective regulator and supervisor that ensures the safety of pension assets and fair return on investment utilising appropriate technology, with highly skilled and motivated staff”

EXECUTIVE COMMITTEE MEMBERS

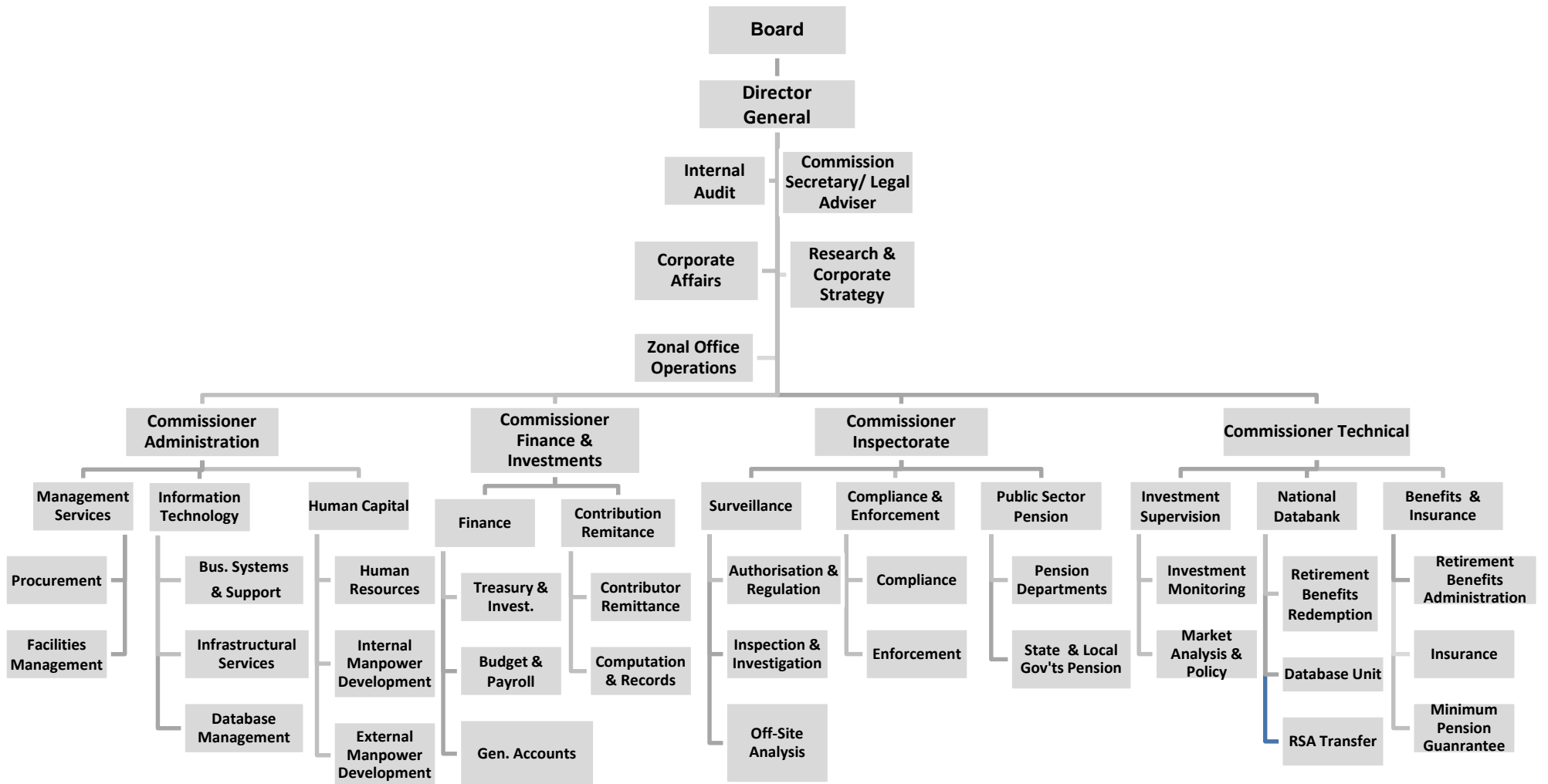


Chinelo Anohu-Amazu
Acting Director General

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Mrs. Chinelo Anohu-Amazu	Acting Director General
Mrs. Aisha I. Mustafa	Head (Management Services Department)
Mr. Muhammad B. Umar	Head (Compliance & Enforcement Department)
Mrs. Grace Usoro	Head (Public Sector Pensions Department)
Mr. Muhammad Y. Datti	Head (Surveillance Department)
Mr. Moses O. Loyinmi	Head (Benefits & Insurance Department)
Mrs. Ekanem B. Aikhomu	Head (National Databank Department)
Mr. Inuwa O. Iyodo	Head (Finance Department)
Dr. Dan Ndackson	Head (Human Capital Department)
Dr. Umaru F. Aminu	Head (Research & Corporate Strategy Department)
Mr. Ehimeme Ohioma	Head (Investment Supervision Department)
Mr. Aliyu A. Tijjani	Head (Contributions Remittance Department)
Muminey A. Odebiyi	Head (Information Technology Department)
Mr. Nickolas Z. Mbajwa	Head (Internal Audit Department)
Mr. Usman Musa	Head (Corporate Affairs Department)

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ABBREVIATIONS AND ACRONYMS

AES	Approved Existing Scheme
AMCON	Asset Management Company of Nigeria
ASI	All Share Index
CBN	Central Bank of Nigeria
CPFA	Closed Pension Fund Administrators
CPS	Contributory Pension Scheme
CRM	Customer Relationship Management
CRR	Cash Reserve Ratio
CRS	Contributor Registration System
DB	Defined Benefits
DC	Defined Contribution
DMO	Debt Management Office
EXCO	Executive Committee
FGN	Federal Government of Ni9geria
FRSC	Federal Road Safety Corps
FSB	Financial Stability Board
GBI-EM	Government Bond Index-Emerging Markets
GDP	Gross Domestic Product
GLIP	Group Life Insurance Policy
ICT	Information and Communication Technology
IFC	International Finance Corporate
IFRS	International Financial Reporting Standard
IOPS	International Organization of Pension Supervisors
IPF	Investor Protection Fund
IPPIS	Integrated Personnel Profile and Identification System
ISSA	International Social Security Association
IT	Information Technology
MCC	Management Consultative Committee
MDA	Ministries, Departments and Agencies
MDRI	Market Development & Restructuring Initiative
MPG	Minimum Pension Guarantee
MPR	Monetary Policy Rate
NAICOM	National Insurance Commission
NAV	Net Asset Value
NBS	National Bureau of Statistics
NIBOR	Nigerian Interbank Offer Rate

NSE	Nigeria Stock Exchange
NSITF	National Social Insurance Trust Fund
NTB	Nigeria Treasury Bills
OECD	Organization for Economic Co-operation and Development
OMO	Open Market Operations
P.A.	Per Annum
PE	Private Equity
PenCom	National Pension Commission
PenRSS	Pension Returns Rendition System
PFA	Pension Fund Administrators
PFC	Pension Fund Custodian
PIN	Personal Identification Number
PRA 2004	Pension Reform Act 2004
PW	Programmed Withdrawal
RA	Recovery Agents
RBBRFA	Retirement Benefit Bond Redemption Fund Account
RMAS	Risk Management and Analysis System
ROI	Return on Investment
RSA	Retirement savings Account
SEC	Security and Exchange Commission
TB	Treasury Bill
TTM	Term To Maturity
UBA	United Bank of Africa
UPDC	UACN Property Development Company
VAT	Value Added Tax
WAPCO	West African Portland Cement Company
WARR	Weighted Average Rate of Return

PART ONE: MANDATE AND CORE VALUES

1.1 Organisational Mandate

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

1.2 Core Values

The core values of PenCom form an integral part of its people and culture, which are imbibed by its staff to effectively actualize its mandate. The core values emphasize **T**ransparency, **R**esponsiveness, **I**ntegrity, **P**roactivity and **P**rofessionalism (**TRIPP**).







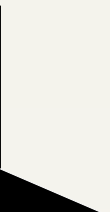
- **Transparency:** In the quest to create a transparent and accountable pension industry, staff of PenCom are required to maintain the highest ethical standards and create an atmosphere of mutual trust and confidence through openness and clarity in the discharge of their responsibilities.
- **Responsiveness:** Promptness, efficiency and the culture of timeliness and accuracy are qualities exhibited by staff of PenCom.
- **Integrity:** Steadfast adherence to honesty and dedication are virtues that are hallmarks of all staff of PenCom.
- **Proactivity:** The ability to act in advance of future situation rather than just reacting to it is a desirable quality that each staff of PenCom should possess.
- **Professionalism:** In the discharge of their responsibilities, staff are expected to exhibit the highest level of professionalism. In this regard, staff must be competent, resourceful, respectful, creative and above all, team players.

1.3 Supervisory Philosophy

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

1.4 PenCom Charter

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

Pensioners		<ul style="list-style-type: none"> • Timely payment of pension • Security of pension assets
Contributors		<ul style="list-style-type: none"> • Security of pension assets • Ensure compliance of employers • Ensure effective service delivery by operators
Government		<ul style="list-style-type: none"> • A safe, sound and stable pension industry • Positive contribution to economic development • Contribution to social security net
PenCom Staff		<ul style="list-style-type: none"> • A recognition and reward for good performance • Provision of a learning environment, opportunities for career advancement and development • Promotion of team spirit and provision of conducive working environment • Provision of effective communication channels
Public		<ul style="list-style-type: none"> • Effective communication and enlightenment • Responsive corporate citizen • Environment friendly organization
Employers		<i>Operators of New Schemes (RSAs)</i> <ul style="list-style-type: none"> • Proactivity and responsiveness • Ensure compliance
		<i>Operators of Existing Schemes</i> <ul style="list-style-type: none"> • Safety of assets and fair returns on investment • Effective supervision
Pension Operators		<i>PFAs, CPFAs and PFCs</i> <ul style="list-style-type: none"> • Effective and efficient regulation and supervision • Prompt regulatory and supervisory intervention on all operators' issues • Capacity development for the industry
		<i>Insurance Companies and Pension Departments</i> <ul style="list-style-type: none"> • Continuous collaboration with NAICOM for a flourishing life insurance business • Effective supervision of pension departments • Technical support for both pension departments and insurance companies in the implementation of CPS

PART TWO: CORPORATE ACTIVITIES

2.1 Regulatory and Supervisory Activities

The regulatory and supervisory activities, which were risk-based and consultative, centered along five broad areas, namely, issuance of guidelines and regulations; surveillance of licensed operators; ensuring compliance with and enforcement of the provisions of the PRA 2004; supervision of pension fund investments; and maintenance of databank on pension matters. The open, transparent and consultative nature of these activities as carried out in the preceding years, albeit with zero tolerance for any infraction, were maintained throughout the period under review.

2.1.1 Issuance of Guidelines and Regulations

In furtherance of the effort to ensure orderliness and smooth operations of the pension industry, the Commission amended and issued additional regulations, guidelines and circulars during the year under review. The policy documents are listed as follows:

- (i) *Guidelines for the administration of state funds deducted at source under the contributory pension scheme:* this set out the conditions to be satisfied by a State that desires to raise funds from the Pension Industry for the purpose of infrastructural development. It covers only States that have fully implemented the CPS.
- (ii) *Regulations for the transfer of retirement savings accounts:* this outlines the procedure for seamless transfer of RSAs from one PFA to another as well as facilitates full and equitable pension assets portability in pursuance of Section 11(2) of PRA 2004.
- (iii) *Circular on minimum requirements for the inclusion of state bonds as investible instruments in the pension industry:* It prescribed minimum conditions for bonds issued by state governments to qualify for pension fund investments.
- (iv) *Circular on payment of dividends to shareholders by licensed pension fund operators:* this instructs licensed Operators to seek prior approval from the Commission before dividends are paid to shareholders.
- (v) *Circular on review of pension rates in accordance with Section 173(3) of the Constitution of the Federal Republic of Nigeria, 1999, as amended:* It

clarified the implementation of Section 173(3) of the 1999 Constitution of the FGN (as amended) under the CPS.

- (vi) *Addendum to Circular on requirements for PFAs with funds under management of ₦100 billion & above and new requirements for appointments to board and top management positions of all PFAs:* it modified some sections of the initial Circular by merging the two Investment Departments into a single department with two units each of which is to carry out the functions of the merged departments. It also introduced new requirements for the appointments to Board and Top Management positions of all PFAs.

All the Regulations, Guidelines, Frameworks and Circulars issued by PenCom are available on the website: www.pencom.gov.ng.

2.1.2 Surveillance of the Pension Industry

The Commission carried out both on-site and off-site examinations of licensed Pension Operators. The on-site examination included target examination on 23 PFAs; spot check on seven PFAs; and routine examination on four PFCs. The target examination of the PFAs was focused on investment, pension and benefit administration, which are areas that pose the greatest risk to the pension industry. In this regard, the risk matrix was amended to capture the risk elements in pension and benefit administration as well as investment management. In addition, issues on corporate governance and fiduciary responsibility of the Boards of the PFAs were also included in the risk matrix.

2.1.3 Off-Site Examination of Licenced Pension Fund Operators

The off-site examination of licenced Pension Fund Operators covered such areas as compliance, risk management, corporate governance and actuarial valuation of defined benefit (DB) schemes as listed below.

(a) Compliance

A number of compliance issues were identified and addressed during the year. These issues included the following:

- i. Non-compliance with Investment Limits;
- ii. Delay in the payment of Retirement Benefits;
- iii. Receipt of Pension Contributions without appropriate schedules;

- iv. Inability to generate and issue PINs to new RSA Contributors;
- v. Failure to fill vacant top management positions;
- vi. Non-submission of reports on Conflict of Interest Issues;
- vii. Non-implementation of Disaster Recovery Plan, which is part of the ICT requirement for licensed PFAs; and
- viii. Failure to forward exit strategy for investments made in some nationalized Banks where investment of pension assets is no longer allowed.

(b) Risk Management

A review of the Risk Management Reports submitted by the Pension Fund Operators revealed that most were faced with operational risks such as financial, ICT, marketing, fixed assets as well as risks arising from Investment concentration and unfunded RSAs of contributors.

(c) Actuarial Valuation of Defined Benefit Schemes

In compliance with Section 39(2) of the PRA 2004, 13 sponsors of DB Schemes submitted their Actuarial Valuation Reports for the year ended 31 December, 2011. The review of the reports showed that 6 out of the 13 Schemes were fully funded while 7 had pension deficits amounting to ₦152 billion. Consequently, letters were sent to the organizations to fund the deficits in line with the provision of the law.

(d) Corporate Governance

The Corporate Governance Report revealed that some Operators did not evaluate the performance of their Boards, Board Committees and individual Directors. Also, some Boards and Committees did not meet for up to four times during the year as required by the Code. Further review of the report showed that some Operators were yet to have equal number of Executive and Non-Executive members including an Independent Director in their Boards. The Operators had been advised accordingly to address the aforementioned issues on Corporate Governance.

2.1.4 Other Surveillance Activities

(a) Update on Returns Rendition System

The licensed Pension Operators rendered returns on their operations and that of the funds under their management and/or custody through the Pension Returns Rendition System (PenRRS). In order to ensure timely and accurate rendition of

returns, monetary penalties were imposed on defaulting Operators during the period for late and non- and in-accurate submission of returns. However, the review of the returns rendered by the Operators during the year showed that most Operators were in sound financial condition.

(b) Update on Risk Management and Analysis System (RMAS)

The RMAS was successfully deployed in February, 2012 and the pilot run on the RMAS application commenced with the rendition of returns for the months of December 2011 to December 2012. The RMAS was programmed to go live in January 2013.

2.1.5 Resolution Activities

The following resolution activities occurred during the period under review:

- (i) Sigma Pension Limited acquired the pension fund and assets under the management of Amana Capital Pensions Limited;
- (ii) Oak Pensions Limited acquired the pension funds and assets under the management of Evergreen Pensions Limited and Crib Pension Fund Managers Limited; and
- (iii) A significant portion (80%) of the shares of Royal Trust Pension Fund Administrators Limited was acquired by GT Asset Management Limited. This also resulted in the change of name of the PFA to GTB-AM Pensions Limited.

2.1.6 Compliance and Enforcement Activities

(a) Compliance Certificate

PenCom commenced the issuance of certificates to organizations that had complied with the provisions of the Pension Reform Act, 2004 in January, 2012. Consequently, a total of 1,207 applications were received for issuance of compliance certificate out of which 559 certificates were issued. The balance of 648 applications was rejected for failure to provide evidence of remitting pension contributions and implementation of Group Life Insurance Policy for their staff.

(b) On-Site Inspection of Employers

In 2012, PenCom conducted on-site inspection of 60 private sector employers. As a consequence, additional 3,066 RSAs were opened by their employees and

₦596.13 million was remitted. Out of the 60 organizations inspected, only 15 had Group Life Insurance policy cover while organizations that were not in full compliance were sanctioned. The reduction in number of organizations inspected was due to the engagement of Recovery Agents and commencement of the recovery exercise.

(c) Recovery Agents

During the year, PenCom engaged the services of 173 accounting and legal firms as Recovery Agents (RAs) of outstanding pension contributions and interest penalty from defaulting employers. To ensure effective take off of the recovery exercise, workshops were organized for the Agents and Pension Fund Operators on processes to be followed for recovery of outstanding pension contributions together with the interest penalty from defaulting employers.

Reports submitted by the RAs during the period under review indicated that 11,113 employers out of 15,730 assigned were contacted while 4,617 were yet to be contacted. Also, 5,128 employers provided their records for review by the RAs. Subsequently, 25 RAs submitted requests concerning 168 employers whose pension records had been reviewed for concurrence of the Commission to serve demand letters. The Commission granted 'no objection of action' on 103 employers for the issuance of demand notices for the outstanding pension contributions and interest penalty totalling ₦3.19 billion.

2.1.7 Supervision of Investment of Pension Assets

The analysis of daily and monthly investment valuation reports submitted by Pension Fund Operators continued during the year. These routine reports ensured that PenCom did not only effectively monitor pension fund investments for safety and sustainability but also taking informed and prompt corrective actions when and where necessary.

2.1.8 Databank on Pension Matters

In fulfilment of its mandate, PenCom continued the maintenance of a databank on all pension matters. The database contained nominal staff rolls of all treasury funded Ministries, Departments and Agencies (MDAs) of the FGN. It also contained details of contributions of their respective employees; accrued benefits to these employees and payments made thereof; and registration details of private sector employees. A database of retirees under the CPS and the defunct Defined Benefit (DB) scheme was also maintained.

2.2 Implementation of CPS by State Governments

Three additional states, Rivers, Edo and Akwa-Ibom enacted laws on the CPS. This brought the total number of states that had enacted their laws on the CPS to 21 out of which eight had commenced remittance of pension contributions into employees RSAs as shown in Table 2.1. Also, 14 other States were at the bills stage in the enactment of their laws on the CPS, while a state was yet to commence any action towards joining the scheme.

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 PFAs	N/A	N/A
2	Lagos	Commenced	Funded	Implemented
3	Ogun	Commenced	Funded	Not implemented
4	Kaduna	Commenced	Local Government component funded	Not implemented
5	Niger	Commenced	Funded	Implemented
6	Delta	Commenced	Not funded	Implemented
7	Zamfara	Commenced	Not funded	Not implemented
8	Osun	Commenced	Funded	Implemented
9	Rivers	Commenced	Not funded	Implemented
10	Kano	Assets yet to be transferred	Not applicable	Not applicable
11	Imo	Yet to commence	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
17	Nasarawa	Yet to commence	Not funded	Not implemented
18	Oyo	Yet to commence	Not funded	Not implemented
19	Taraba	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

Out of the 21 states that had enacted laws on the CPS, six states had commenced the funding of their retirement benefit bond redemption fund account (RBBRFA). The states and the balances in their RBBRFAs as at end of the year are shown in Table 2.2.

Table 2.2: Balance in RBBRF Account of state Governments as at December, 2012

S/N	State	Balance (N billion)
1	Lagos	13.00
2	Ogun	5.08
3	Kaduna	1.60
4	Niger	2.60
5	Osun	1.07
6	Rivers	0.30

2.3 Pension Operators Forum

During the period under review, the Commission organized three Consultative Operators Fora where developments as well as problems in the pension industry were discussed and solutions proffered. Similarly, the first Strategic meeting with the Chief Executive Officers of the Pension Fund Operators took place in Calabar where a 2-year strategic roadmap was developed for the Pension Industry.

2.4 Departmental Activities

2.4.1 Office of the Commission Secretary/Legal Adviser

The Department was responsible for the Commission's legal matters and served as the Secretariat for the Board, Executive Committee (EXCO) and Management Consultative Committee (MCC). It offered legal advice to all Divisions in the Commission and served as the custodian of the Commission's seal and original copies of legal instruments as well as handled all Board correspondences.

In its legal advisory capacity, the Department provided support in such areas as the review of guidelines developed by the Commission and state pension legislations and the review, drafting and vetting of Agreements and other legal instruments between the Commission and its vendors, operators and amongst the operators. In addition, it handled existing and impending litigations involving the Commission including legal action against the management of 16 private sector organizations that were non-compliant with the PRA 2004.

2.4.2 Research and Corporate Strategy Department

The Department continued the monitoring of the implementation of the Corporate Strategy Plan as well as the level of service delivery by PenCom. In addition, it prepared periodic reports such as quarterly and annual reports for 2011. Other activities of the Department during the year included the maintenance of statistics on the pension industry; development and presentation of papers at sensitization and awareness campaigns; management of the contents of PenCom's website and the general e-mail-box; maintenance of the Help Desk; and management of the Commission's Library.

2.4.3 Zonal Offices Operations Department

The Zonal Offices Operations Department was established in August, 2012 under the Office of the Director General to co-ordinate the activities of the Zonal Offices that were located in the six geopolitical zones of the Federation, namely: North-Central Zone Office situated in Ilorin, Kwara State; North West Zone Office situated in Kano, Kano State; the North East Zonal Office situated in Gombe, Gombe State; South-East Zone Office situated in Awka, Anambra State; South-South Zone Office situated in Calabar, Cross River State; and South West Zone Office situated in Lagos, Lagos State. The decision to establish zonal offices was to bring the services of the Commission closer to the stakeholders.

2.4.4 Internal Audit Department

The Department carried out prepayment and post payment audit of the financial transactions of the Commission as well as reconciled remittances of pension contributions and accrued rights of retiring Federal Government workers during the year. In addition, it monitored security systems within the Commission to mitigate possible risk to assets of the Commission by carrying out checks, control and re-evaluation of compliance test.

2.4.5 Corporate Affairs Department

The Department carried out activities aimed at promoting the corporate image of the Commission and sensitizing the general public on its roles and activities as well as the workability of the CPS. These sensitization campaigns were carried through the print and electronic media. Other activities carried out by the Department included provision of protocol services such as handling immigration requests, ticketing and procurement of visas; and liaison with different government agencies for smooth and harmonious working relationship with PenCom.

2.4.6 Management Services Department

The Management Services Department provided material and logistics support for the smooth operations of the various Departments in the Commission. It handled all procurements and supply of equipment and services in accordance with the Public Procurement Act, 2007. In addition, the Department supervised the activities of the Service Providers such as security, cleaning and facility management.

2.4.7 Human Resources Department

The Department coordinated several training programmes for staff of the Commission, which included both local and international courses. It also coordinated capacity building programmes for the pension industry such as the Annual Directors' Conference, forum with Industry Training Officers and International Financial Reporting Standards course. Other activities of the Department included updating the staff Condition of Service, processing of staff leave, promotion, discipline and general welfare.

2.4.8 Information Technology Department

The Department continued to provide the required ICT support in the Commission and to the Licensed Pension Fund Operators. Towards this end, it provided technical support in the implementation of the Risk Management and Analysis System (RMAS) application, which was meant to enhance off-site supervision of the pension industry as well as the configuration of the Oracle e-Business Suite to automate the internal processes of the Commission.

The Department also continued to provide support in the maintenance of existing hardware, connectivity and applications such as the Contributor Registration Application (CRS) and the Pension Returns Rendition System (PenRRS).

2.4.9 Finance Department

The Finance Department ensured the provision of funds for the smooth running of the Commission's activities in addition to maintaining an efficient and transparent accounting system. It also coordinated the preparation of PenCom's 2012 budget and ensured strict compliance on the application of the budget control mechanisms and facilitated the external audit of PenCom's 2012 Statement of Accounts.

Furthermore, the Department maintained the register of all investments of the Contributory Pension Fund account at the Central Bank of Nigeria (CBN) as well as ensured best practice on physical control of the Commission's fixed assets which warranted time to time update of the fixed assets records during the period under review.

2.4.10 Contributions Remittance Department

The Department continued the computation and remittance of pension contributions of FGN employees of treasury funded Ministries, Departments and Agencies not covered by the Integrated Personnel Profile and Identification System (IPPIIS). It also updated the staff nominal rolls of the MDAs, which facilitated the remittance of pension contributions of the FGN employees.

2.4.11 Surveillance Department

In 2012, the Surveillance Department conducted both on-site and off-site examinations of licensed examination on Licensed Pension Operators using the risk-based approach. Other activities carried out by the Department included resolution of some ailing operators; review of some guidelines issued and approval of requests for appointments into management positions by Pension Operators. Also, in line with the consultative approach of PenCom, the Department coordinated the quarterly Consultative meetings with licensed Operators in the Pension Industry during the year.

2.4.12 Compliance and Enforcement Department

In the year under review, the Compliance and Enforcement Department monitored compliance with the provisions of the PRA 2004 by employers in the private sector. Towards this end, on-site inspection of employers was conducted and Recovery Agents were appointed to recover outstanding pension contributions and interest penalty from defaulting employers. Furthermore, the Department conducted interactive sessions with the Nigeria Labour Congress to improve the level of compliance.

Other activities of the Department included the evaluation of applications for the issuance of Compliance Certificates to deserving organizations bidding for contract with the Federal Government Ministries, Departments and Agencies (MDAs) in accordance with the provisions of the Public Procurement Act 2007 and the transfer of NSITF pension funds and assets as well as contributions.

2.4.13 Public Sector Pensions Department

The Department supervised the FGN Pension Departments; Unified Pension Schemes; and reconciled the verification and enrolment of pensioners' database with the payroll of the Civil Service Pension Department. It also facilitated the implementation of the CPS by State Governments. In addition, it conducted an assessment of Lagos State Pension Commission with a view to adding value to its operations and identifying useful learning points, which could be adopted by other States in the process of implementing the CPS.

2.4.14 Investment Supervision Department

The Department analysed daily and monthly investment valuation reports submitted by Pension Fund Operators to ensure compliance with the stipulated Regulation on Pension Fund Investment. It also analysed and approved all asset based fees charged by the Pension Industry. These included regulatory and management charges.

2.4.15 Benefits and Insurance Department

The Department reviewed requests for approval of retirement/terminal benefits and death benefits submitted by Pension Fund Administrators (PFAs). These benefits include pension payments under Programmed Withdrawal (PW) and life annuity; en-bloc payments; and lumpsum withdrawals. The Department also drafted a Framework for the implementation of the Minimum Pension Guarantee (MPG).

2.4.16 National Data Bank Department

The Department maintained a comprehensive database of the records of retirees and Contributors under the CPS, which included the registration, verification, and validation of Contributors' records. It also remitted accrued benefits into the RSAs of retirees in accordance with the provisions of the PRA Act 2004 as well as generated employer codes for employers that joined the Scheme during the year under review. Similarly, the Department developed the Regulations on the Transfer of RSAs and commenced the design and development of RSA Transfer Clearing System Application, which will coordinate all the processes relating to the transfer of RSAs.

2.5 Other Activities of the Commission

2.5.1 Sensitization Workshops/Seminars and Public Enlightenment

During the period under review, PenCom organized various seminars, workshops, conference and interactive sessions in collaboration with other organizations as part of its mandate on public awareness and education. Accordingly, PenCom series of sensitisations campaigns were conducted in various languages through the print and electronic media to enlighten the general public on the workings of the CPS. Some of these workshops/seminars, conferences and interactive session during the year include the following:

- (i) Pension Operators Compliance Officers Forum to discuss issues related to the functions of Compliance Officers in bid to enhance the operations of the Operators in terms of service delivery;
- (ii) Workshop/Training on International Financial Reporting Standard (IFRS) for PenCom staff and Directors and staff of pension operators to create awareness and bridge the knowledge gap;
- (iii) A one-day interactive session with the Nigerian Labour Congress National Executive Council including the thirty-five (35) States Council of the Congress;
- (iv) A one-day interactive session between the Office of the Accountant General, Operators in the pension industry and the Commission on remittances of pension contribution for employees of MDAs under the Integrated Payroll and Personnel Information System (IPPIS);
- (v) Interactive session between the House of Representatives Committee on Pensions, PenCom and the operators in the pension industry on the Implementation of the Pension Reform Act 2004;
- (vi) Conference of Directors of Pension Operators;
- (vii) Workshop/training for staff of the Rivers State Pension Board and other MDAs on the operations of the CPS; and
- (viii) Several seminars, workshops and conferences on the CPS throughout the country.

2.5.2 Collaborative Activities

PenCom had collaborated with domestic and international organizations on the following activities during the year:

- (i) Organized Conferences in collaboration with multilateral agencies such as the World Bank/IFC and the Commonwealth Secretariat as part of capacity building;
- (ii) Conducted annual seminars in collaboration with the Nigeria Labour Congress and Nigeria Employers Consultative Association to promote compliance by employers, particularly small and medium scale employers;
- (iii) Central Bank of Nigeria (CBN) leading to large scale compliance in the banking industry and other allied institutions;
- (iv) Federal Inland Revenue Service (FIRS) to have tax incentives on investment of Pension Assets; and

2.6 Membership of Professional Organizations

The Commission maintained its membership of two international pension supervisory associations, International Organization of Pension Supervisors (IOPS) and International Social Security Association (ISSA). As part of the benefits of its membership of the ISSA, the Commission in collaboration with the Liaison Office for West Africa of the ISSA hosted a meeting of Migrant Workers Working Group on the protection of the right of migrant workers and the portability of their benefits. The meeting took place in Abuja between 5 and 7 June, 2012. Similarly, the Commission also benefited from the Workshop on the adequacy of retirement benefit that organized by the Liaison Office for West Africa of the ISSA in Liberia in December, 2012.

As a member of the IOPS, the Commission benefitted from various programmes that could help improve its standard of supervising and regulating the pension industry in the course of the year, which included:

- (i) IOPS Good Practices for Governance of Pension Supervisory Authorities;
- (ii) IOPS members report on Financial Stability Board (FSB) principles for reducing reliance on Credit Rating Agencies which was submitted to the FSB;

- (iii) Continuous update and additional material to the IOPS website dedicated to the Toolkit on Risk-based Supervision of pension systems;
- (iv) Accessibility of IOPS members to electronic library on the IOPS website, which provided reference materials on pension supervision and related topics; and
- (v) IOPS collaboration with ISSA and OECD which provided updates and development of a comprehensive database of statistical and descriptive regulatory information covering private pension systems worldwide.

PART THREE: THE PENSION INDUSTRY

3.1 The Operating Environment

3.1.1 Macroeconomic Developments

The pension industry operated in an atmosphere of slightly declined macroeconomic condition in year 2012 as provisional figures from the National Bureau of Statistics (NBS) showed that real GDP growth declined by 0.77 percent from 7.76 percent in 2011 to 6.99 percent in 2012. The slight decline could be explained by the decline in the oil sector that witnessed a negative growth of 0.91 percent as against the non-oil sector that recorded a growth rate of 7.88 percent in 2012. Thus, while the contribution of the non-oil sector to GDP increased by 1.04 percent from 85.20 percent in 2011 to 86.24 in 2012, the share of the oil sector declined by 1.04 percent from 14.80 percent in 2011 to 13.76 percent in 2012.

The rate of inflation however accelerated from 10.80 percent in 2011 to 12.29 percent in 2012. The double digit rate of inflation could adversely affect the purchasing power of retirees and active workers as well as the real return on pension fund investment.

3.1.2 Developments in the Stock Market

The Stock Market was a beehive of activities as revealed by some indicators of performance which were quite impressive relative to 2011. The Nigeria Stock Exchange (NSE) All Share Index (ASI) grew by 35.45 percent from 20,730.63 in 2011 to 28,079.64 in 2012. Similarly, the market capitalization of listed equities increased from ₦6.54 trillion in 2011 to ₦8.98 trillion in December, 2012, representing an increase of 37.31 percent.

The resurgence of the stock market could be partly explained by the renewed confidence of local investors in the market and its attraction to foreign investment, which accounted for over 70 percent of total capital investment in the market. All these were on the heels of various initiatives put in place by the NSE which included:

- (i) Segmentation of the market to rebrand the market and align industry sectors under which companies are listed. This reduced the sector from 33 to 12.
- (ii) The appointment of market makers to conduct market making activities.

- (iii) Revision of listing rules, reduction in listing fees, realignment of free float for quoted companies and other minimum requirements for new listings in order to attract more companies.
- (iv) Deployment of systematic sector-board-product-specific marketing strategies and value-added services to address specific concerns hindering market growth.
- (v) The introduction of Investor Protection Fund (IPF), which is a vehicle instituted to provide buffer for losses that investors may suffer as a result of bankruptcy, insolvency, negligence and other unprofessional activities of Dealing Members at the NSE.
- (vi) Introduction of Market Quality Report (The NSE X-Qual Report) that is designed to disclose the extent to which equities traded on the Exchange provide execution at prices better than the prevailing price quotes before an investor places an order.

3.1.3 Developments in the Bond Market

The activities in the Bond market were quite impressive during the period under review as the bond market capitalization increased by 55.61 percent from ₦3.74 trillion in 2011 to ₦5.82 trillion in 2012. This could be explained by the inclusion of selected Nigerian government bonds in the JP Morgan Government Bond Index-Emerging Markets (GBI-EM), which attracted international institutional investors to the Nigerian bond market.

Subsequently, the Debt Management Office (DMO) offered ₦871.25 billion and allotted ₦994.85 billion in FGN bonds, which was oversubscribed by 96.55 percent to the tune of ₦1,712.48 billion. In addition, 4 State Governments issued bonds totaling ₦157 billion during the period under review. However, there was only one new issue by C&I Leasing Company in the corporate bond market, which, in addition to Chellarams Plc Series 2 Senior amounted to ₦1,480 billion.

The yields on FGN Bonds averaged 15 percent up to August 2012 but dropped to an average of 12 percent between September and December 2012; while yields on State Government bonds were an average of 14.91 percent during the year.

3.1.4 Developments in the Money Market

In the effort to check the rising rate of inflation, the Central Bank of Nigeria (CBN) pursued restrictive monetary policy stance for most of the period in 2012. Thus, the Monetary Policy Rate (MPR) was maintained at 12 percent followed by mopping of excess liquidity through continuous application of Open Market Operations (OMO) to achieve the preferred level of liquidity in the economy. This was in addition to the increase by the CBN in the Cash Reserve Ratio (CRR) from 8 to 12 percent, which led to reduction in loanable funds at the disposal of banks to the real sector of the economy.

In response to the monetary policy, the Nigerian Interbank Offer Rate (NIBOR) witnessed some increases as the average rate of interest on interbank offered rate moved from 10.55 percent in 2011 to 13.92 percent in 2012.

However, the primary segment of the money market was quite active in 2012 as the Nigeria Treasury Bills (NTBs) of various tenors were oversubscribed. Thus, NTBs of 91-, 182- and 364-day tenors, amounting to ~~N~~822.05 billion, ~~N~~2,095.54 billion and ~~N~~822.05 billion, respectively, were offered, subscribed to and allotted as at December, 2012. The level of oversubscription to the NTBs was 154.92 percent. The average yield on NTBs fell from 14.60 percent in 2011 to 12.44 percent in 2012 following the foreign demand for NTBs that resulted from the JP Morgan's addition of Nigeria's bonds to its Government Bond Index.

3.1.5 Developments in the Banking Industry

In a renewed attempt to clean up the banking industry, the CBN moved to formally integrate sustainable business practices into the banking sector by introducing the Nigerian Sustainable Banking Principles. The Principles could be seen as a consequence of an industry wide initiative to drive sustainable growth in the banking sector.

The principles were designed to formally integrate environmental and social risk management into investment and lending decisions, by introducing frameworks to identify, assess and mitigate such risks. In addition, the Principles were made up of specific sector guidelines that specified risk assessment in the high risk sectors of the economy. It was hoped that the Principles will pave way for sustainability and responsible business practice in Nigeria.

The year witnessed the withdrawal of the Licences of some banks, while bridge banks, which were banks under the management of Asset Management Company of Nigeria (AMCON) were created to replace them.

3.1.6 Developments in the Insurance Industry

The insurance industry witnessed some reforms during the year which included:

- (i) mandatory transition to the International Financial Reporting Standard (IFRS) by insurance companies;
- (ii) change of financial year end from July to March for insurance companies;
- (iii) compel the general public to accept and patronise the compulsory insurance products; and
- (iv) key into the Federal Road Safety Corps (FRSC) database scheme by aligning their own database with that of the FRSC as well as instituting anti-money laundering processes in their systems.

In addition to the above, all insurance and reinsurance companies were mandated to establish a Risk Management Department/Unit as part of their risk management strategy by 1st July, 2012. The risk-based capitalization and solvency regulation was aimed at deepening the Nigerian Insurance Market through the Nigeria Insurance “Market Development & Restructuring Initiative (MDRI). This was with the goal of checking underwriting companies from taking risks beyond their financial and technical capacities.

The MDRI Project was a medium term plan (2009-2012) of installing the first phase of reforms to build industry capacity, enhance market efficiency and consumer protection in the Nigerian Insurance market. It was expected that the MDRI project would deepen and grow the insurance market as well as increase the industry gross premium from ₦164 billion in 2008 to ₦1 trillion in 2012.

3.2 Licensing of Operators

There was no new licence issued by the Commission in 2012. Consequent upon recapitalization of the pension industry which led to mergers and acquisitions, the total number of PFAs decreased from 24 in 2011 to 20 in 2012. Subsequently, the number of pension operators decreased from 54 in 2011 to 50 in 2012. A breakdown of the Pension Fund Operators is given in Table 3.1

Table 3.1: Number of Pension Operators as at December 2012

Pension Operators	2011	2012
Pension Fund Administrators	24	20
Pension Fund Custodians	4	4
Closed Pension Fund Administrators	7	7
Approved Existing Schemes	19	19
Total	54	50

3.3 Membership of Pension Schemes

The total membership of pension schemes increased from 4,993,698 in 2011 to 5,461,299 in 2012, representing an increase of 8.56 percent. Membership of RSA scheme dominated total pension scheme memberships at 5,393,001, representing a proportional contribution of 98.75 percent. The AES and the CPFA however accounted for the balance of 1.25 percent.

3.3.1 Membership of RSA

The total RSA registration in the private and public sectors recorded an increase of 465,785 as total registration moved from 4,927,216 in 2011 to 5,393,001 in 2012, representing an increase of 9.45 percent. The public sector accounted for a higher proportion of total registration in 2012 at 2,907,698 representing 53.92 percent. A graphical presentation of public/private sector memberships of RSA is presented in Figure 3.2.

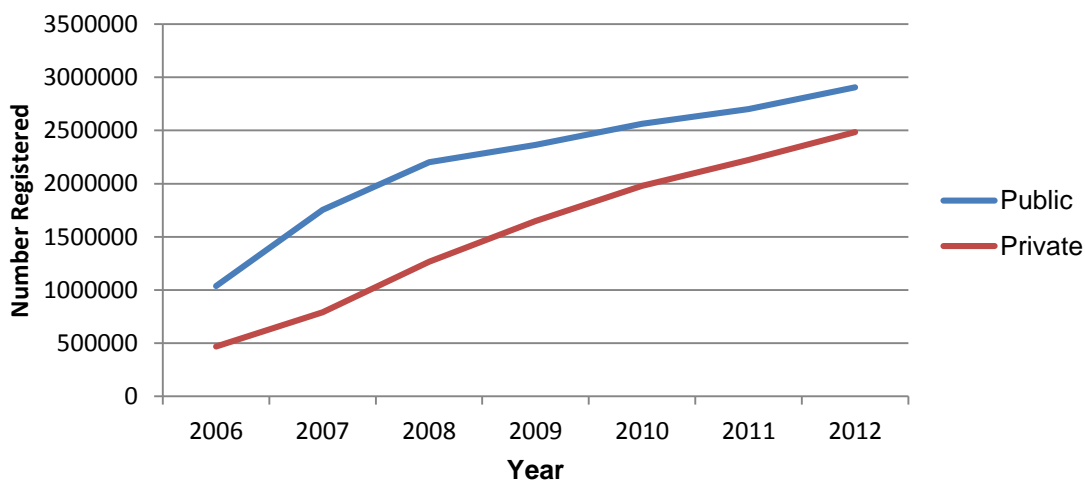


Figure 3.2: RSA Registration By Sector

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

The increase in private sector RSA registrations could be explained by such factors as: the engagement of 173 Recovery Agents whose functions were to recover outstanding pension contributions liabilities from private sector employers as well as interest penalties on the liabilities, and to ensure that private sector organizations that employ 5 or more employees comply with the scheme; a provision in the Public Procurement Act 2007 which stipulates that Bidders for Federal Government Contracts should provide evidence of compliance with PRA 2004 as part of the requirements for such bids; and the level of awareness created in the private sector through intensive sensitization workshops and seminars.

The increase in the public sector RSA registrations could be ascribed to the continuous buy-in from the State Governments and other Federal Government Agencies. All these accounted for the continuous dominance of the public sector in 2012. In fact, 21 State Governments have enacted their CPS Bills into Law, 14 others were at various stages of implementing CPS, while one state was at the Bill stage as at 31 December, 2012.

Table 3.2: RSA Registrations in 2012

Age Range	Public Sector		Private Sector		Total		Grand Total	
	Male	Female	Male	Female	Male	Female	Number	percent
Less than 30 yrs	500,147	200,897	643,545	272,990	1,143,692	473,887	1,617,579	29.99
30 - 40 yrs	606,264	355,184	725,708	215,399	1,331,972	570,583	1,902,555	35.28
41 - 50 yrs	529,479	295,695	366,577	71,722	896,056	367,417	1,263,473	23.43
51 - 60 yrs	282,630	109,054	141,500	15,948	424,130	125,002	549,132	10.18
Above 61 yrs	23,780	4,568	29,175	2,739	52,955	7,307	60,262	1.12
Total	1,942,300	965,398	1,906,505	578,798	3,848,805	1,544,196	5,393,001	100.00

A review of RSA registration by age distribution of participants shows that the contributors in the age bracket “30-40” accounted for the highest proportion of RSA holders in 2012 as shown in Table 3.2. This age category accounted for 35.28 percent of RSA holders during the period under review. RSA holders in the age bracket “less than 30 years” made the second highest proportional contribution at 29.99 percent in the year. In all, these two age brackets accounted for more than half of the RSA holders at 65.27 percent in 2012.

The implication of the foregoing is that RSA holders are relatively young. This provides the haven for investing Pension Funds in relatively long-term investments without fear of investment mismatch. Thus, pension funds can be conveniently invested in infrastructure bonds and other investment outlets with long gestation period.

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

3.3.2 Memberships of CPFA and AES

The respective memberships of CPFAs and AES were 24,665 and 43,633 as at 31 December, 2012. There were no remarkable changes in the memberships of both AES and CPFAs in 2011 and 2012 because they are occupational pension schemes and largely restricted to staff of the sponsoring organizations as shown in Tables 3.3 and 3.4 respectively.

Table 3.3: Membership of AES in 2012

Enrolment Type	Number		Number	
	2011	% of Total	2012	% of Total
Active Members	25,525	61.13	27,443	62.90
Current pensioners	14,844	35.55	14,807	33.94
Deferred Pensioners	149	0.36	149	0.34
Dependants	1,234	2.96	1,234	2.83
Total	41,752	100.00	43,633	100.00

Note: Dependants are protégés of deceased employees

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

Table 3.4: Membership of CPFA in 2012

Enrolment Type	2011		2012	
	Number	% of Total	Number	% of Total
Active Members	18,926	76.53	18,699	75.81
Current pensioners	5,209	21.06	5,371	21.78
Deferred Pensioners	595	2.41	595	2.41
Total	24,730	100.00	24,665	100.00

3.4 Pension Contributions

The total pension contributions into the RSA of employees in the private and public sectors amounted to ~~N~~462.96 billion in 2012 as shown in Tables 3.5 and 3.6. The public sector accounted for ~~N~~303.44 billion, which represents 65.54 percent of total pension contributions in the year. However, cumulatively, total pension contributions as at 31 December, 2012 amounted to ~~N~~1,744.96 billion. This was made up of ~~N~~1,099.49 billion contributions from the public sector, which represents 63.01 percent of total contributions and ~~N~~645.47 billion from the private sector, which represents the remaining balance of 36.99 percent.

Table 3.5: Public Sector Pension Contributions as at December 2012

Year	Amount (N Billion)	Percentage of Total
2004	15.60	1.42
2005	34.68	3.15
2006	37.38	3.40
2007	80.63	7.33
2008	99.28	9.03
2009	137.10	12.47
2010	162.46	14.78
2011	228.92	20.82
2012	303.44	27.60
TOTAL	1,099.49	100.00

The total contributions of the public sector included ~~N~~106.13 billion from participating State, Local Governments employees and self-funding State and FGN agencies. The average monthly contributions for the public sector increased from ~~N~~19.08 billion in 2011 to ~~N~~25.29 in 2012, representing an increase of 32.55 percent.

Table 3.6: Private Sector Pension Contributions as at December 2012

Year	Amount (N Billion)	Percentage of Total
2006	23.03	3.57
2007	68.34	10.59
2008	80.81	12.52
2009	91.21	14.13
2010	103.03	15.96
2011	119.53	18.52
2012	159.52	24.71
TOTAL	645.47	100.00

Similarly, the private sector pension contribution recorded an increase of 33.46 percent in 2012 as it moved from ₦119.53 billion in 2011 to ₦159.52 billion in 2012. However, the average monthly pension contribution increased from ₦9.96 billion in 2011 to ₦13.29 billion in 2012, representing an increase of 33.43 percent over the figure reported in 2011.

3.5 Industry Portfolio Analysis

The total value of pension fund assets grew by 30 percent in 2012. As indicated by the un-audited valuation of the funds, the total assets grew from ₦2.45 trillion as at 31 December 2011 to ₦3.20 trillion as at 31 December 2012. Table 3.7 below gives the portfolio of the funds as well as comparative figures for 2011.

Table 3.7: Portfolio of Pension Funds as at December 2012

S/N	Asset Class	2012		2011		Variance	
		Amount (N billion)	percent	Amount (N billion)	percent	Amount (N billion)	Percent
1	Quoted Equities	364.06	11.39	320.05	13.06	44.01	13.75
2	FGN Securities	1771.69	55.44	1,361.31	55.56	410.38	30.15
3	State Govt. Securities	167.11	5.23	109.81	4.48	57.3	52.18
4	Corporate Debt Securities	70.52	2.21	74.89	3.06	(4.37)	(5.84)
5	Local Money Market Securities	487.28	15.25	318.8	13.01	168.48	52.85
6	Open/Close end Funds	16.17	0.51	11.45	0.47	4.72	41.22
7	Supranational Bonds	0	0.00	0	0.00	0	
8	Infrastructure Funds	0	0.00	0	0.00	0	
9	Private Equity Funds	6.5	0.20	0	0.00	6.5	100.00
10	Real Estate Properties	231.35	7.24	188.23	7.68	43.12	22.91
11	Unquoted Securities	0	0.00	9.54	0.39	(9.54)	(100.00)
	Foreign Investments						
	i. Equities	39.96	1.25	32.65	0.00	7.31	
12	ii. Money Mkt. Securities	5.18	0.16	0.64	0.03	4.54	709.38
13	Cash & other Assets	35.65	1.12	23.01	0.94	12.64	54.93
	TOTAL	3,195.47	100.00	2,450.38	100.00	745.09	30.41

Table 3.7 reveals that investments in Federal Government Securities had the highest allocation of 55.44 percent of total pension fund assets due to its relatively high yields during the year. The trend was similar to the total allocation in 2011, though there was a drop of 1.00 percent in 2012. Investments in State Government Bonds also increased by 52.18 percent due to attractive yields of 14.50 percent p.a and 14.75 percent p.a offered on Lagos and Osun State Bonds, respectively.

PFAs made maiden investment of RSA Funds in Private Equity (PE) Funds in the 1st quarter of 2012. A total of ₦6.5 billion was invested in the PE Funds as at 31 December, 2012. However, no investments were made in Infrastructure Bonds or

Infrastructure Fund due to non-availability of these securities in the Nigerian Capital Market.

The following sections provide further review of the portfolios of the various Pension Funds under management.

3.6 Analysis of RSA “Active” Fund

The value of assets of the RSA ‘Active’ Funds totalled ₦1.82 trillion as at 31 December 2012. This indicated a net growth of 40.55 percent during the year, which is equivalent to ₦524.55 billion over the figure recorded in 2011 as shown in Table 3.8. Pension fund investments were within stipulated portfolio limits and were spread across seven asset classes but mainly invested in Federal Government Securities (64.19 percent); Money Market Instruments (17.48 percent); and Quoted Equities (10.25 percent).

Table 3.8: Portfolio of RSA “Active” Funds as at December 2012

Asset Class	2012		2011		Variance
	Amount (₦ billion)	%	Amount (₦ billion)	%	Amount (₦ billion)
Quoted Equities	186.40	10.25	145.53	11.25	40.87
Federal Government Securities	1,166.88	64.19	895.13	69.21	271.75
State Government Bonds	96.02	5.28	65.98	5.10	30.04
Corporate Debt Securities	29.84	1.64	26.79	2.07	3.05
Money Market Instruments	317.83	17.48	141.10	10.91	176.73
Open/Close-End Funds	8.49	0.47	7.18	0.56	1.31
Supranational Bonds	0.00	0.00	0.00	0.00	0
Infrastructure Funds	0.00	0.00	0.00	0.00	0
Private Equity Funds	1.95	0.11	0.00	0.00	1.95
Cash & Other Assets	10.47	0.58	11.62	0.90	(1.15)
Gross Asset Value	1,817.88	100.00	1,293.33	100.00	524.55
Charges/Transfers	116.71		65.87		
Net Asset Value	1,701.17		1,107.03		594.14

3.6.1 Sources of Portfolio Growth / Diminution

The Net Asset Value of RSA ‘Active’ Funds had a net growth of ₦594.14billion, increasing from ₦1.11 trillion on 31 December 2011 to ₦1.70 trillion as at 31 December 2012. The portfolio growth was however exclusive of un-remitted pension contributions of FGN employees amounting to ₦103.71 billion being managed by the Central Bank of Nigeria (CBN). The sources of portfolio growth for the RSA ‘Active’ Fund during the year under review were as provided in Table 3.9. It should also be noted that the total contributions of ₦500.57 billion reported

in Table 3.9 included part of unreconciled contributions received in the previous years that was reconciled in 2012. This explained the difference between the actual contribution of ₦462.96 billion received in 2012 as reported in Tables 3.5 and 3.6 and the total inflow reported in Table 3.9.

Table 3.9: Sources of Portfolio Growth for the RSA ‘Active’ Fund

S/N	Sources of Portfolio Growth	2012	2011	Variance
		Amount (₦ billion)	Amount (₦ billion)	Amount (₦ billion)
1.	New Inflow of Funds <ul style="list-style-type: none"> • Contributions 	500.57	329.26	171.31
2.	Investment Income <ul style="list-style-type: none"> • Interests/Coupons • Dividends • Net realized Gains/ (Losses) 	160.37 5.08 4.96	83.40 3.37 (0.77)	76.97 1.71 5.73
3.	Net unrealized Gains/(Losses) on quoted equities/equity funds	41.52	(36.35)	77.87
4.	Benefits Paid/Transfers to Retiree Fund	(86.46)	(43.92)	(42.54)
5.	Charges/Fees	(31.90)	(21.95)	(9.95)
	Total	594.14	313.04	281.1

The monthly pension contributions received during the year averaged ₦40 billion, compared to a monthly average of ₦27 billion in 2011. This resulted from more regular remittances to RSAs of FGN employees occasioned by more submissions of valid nominal rolls by Ministries, Departments and Agencies (MDAs) and increased compliance by the private sector employees as well as the contributions received from employees of the CBN on the decision of the apex bank to cut-over to the Contributory Pension Scheme (CPS).

There was significant increase in the amount received as interests on investments in money market instruments and coupons on bonds due primarily to the higher yields that prevailed in 2012 compared to 2011. The total dividend received on investment in ordinary shares was ₦5.08 billion, which was an increase of 50.74 percent over total dividends received in 2011. This was mainly due to better performances by quoted companies in 2012 especially in the banking, breweries and food/beverages sub-sectors.

The net unrealized gains on investments in equities/equity funds amounted to ₦41.52 billion, which was a significant leap over the net unrealized losses of ₦36.35 billion in 2011. The positive performance was a reflection of the performance of the Nigerian Stock Market in 2012, which saw the NSE ASI record a return of 35.45 percent, the highest return recorded after the global financial

crisis in 2008. The net realized gains on sale of equities and bonds was also significant at ₦4.96 billion compared to a loss of ₦0.77 billion in 2011.

Total transfers to RSA Retiree Funds and benefits payments due to temporary unemployment amounted to ₦86.46 billion. This represented an increase of 96.86 percent over the amount paid in 2011. The total asset based fees charged to the Fund remained at 2.26 percent of the average Net Assets Value (NAV). Also, a 5 percent VAT was also charged on fees payable to the PFAs and PFCs, which were 1.6 percent and 0.4 percent of the NAV respectively.

3.6.2 Performance of the Portfolio of the RSA ‘Active’ Fund

The Weighted Average Return on Investment (ROI) on the RSA ‘Active’ Fund based on unaudited valuation reports was 14.04 percent and a real return of 2.04 percent given an inflation rate of 12 percent over the year under review. This performance was reflective of the stock market performance and high interest rate/coupon regime that characterized the year 2012.

The value of investment in quoted ordinary shares was ₦186.40 billion as at 31 December 2012, which indicated an increase of 28.08 percent over the value in 2011 and accounted for 10.25 percent of total value of RSA ‘Active’ Fund. However, investment in quoted equities was averagely 12 percent of total portfolio value throughout 2012 and PFAs that recorded relatively higher returns in 2012 had as high as 15 percent of the Fund’s portfolio in quoted equities. The upward performance of equities and the downward trend on yields on Government Securities at the end of the 3rd quarter of 2012 had encouraged PFAs to reallocate more investments to equities.

Equity investments in the financial services sub-sector, mostly banking stocks, had the highest assets allocation and accounted for 42 percent of total equity investments. Other major sub-sector allocations were in Consumer Goods (33 percent) and Industrial Goods (12 percent).

The yields on fixed income securities, which constituted a significant portion of the RSA ‘Active’ Funds, remained stable during the year as a result of strict monetary policy measures adopted by the CBN. The yields on FGN bonds averaged 15 percent up to August 2012 but dropped to an average of 12 percent between September and December 2012, while yields on Treasury Bills dropped from 16 percent to 11 percent during the same period. The reduction in yields resulted from reduced government borrowings from the money/capital market through Treasury Bills and FGB Bonds.

Investments in Federal Government Securities comprising of both bonds and treasury bills were valued at ₦1,166.88 billion as at 31 December 2012, accounting for 64 percent of total portfolio value of the RSA ‘Active’ Fund. This proportion was a drop from 69 percent as at 31 December 2011. This amount included pension of FGN employees’ contributions amounting to ₦103.71 billion invested in Treasury Bills in the CBN but awaiting remittances to RSAs. Investment in FGN Bonds was valued at ₦953.74 billion or 82 percent of the value of total investments in FGN Securities, while Treasury Bills amounted to ₦213.13 billion.

Table 3.10: Term to Maturity Profile of FGN Bonds as at 31 December 2012

S/N	Term to Maturity	Amount (₦ billion)	% of Total FGN Securities
1	Below 3years	369.06	39
2	3years – 5years	211.49	22
3	Above 5years – 10yrs	179.99	19
4	Above 10years	193.20	20
	Total	953.74	100

As noted from Table 3.10, most investments were in FGN Bonds with term to maturity below 3 years that accounted for 39% of total holdings in FGN Securities. Investment in FGN Bonds under this tenor ‘bucket’ was much higher in 2011, as it was 56% of total investment in FGN Securities. However, most of the primary issues during the year were in FGN Bond re-openings of 5, 7 and 10 year bonds. This therefore resulted in increased investments in the 5year FGN Bonds, from 3 percent in December 2011 to 20 percent as at 31 December 2012. The average yields on investments in the 5-year, 7-year and 10-year FGN bonds were 14.64 percent p.a, 14.28 percent p.a and 14.90 percent p.a, respectively. Investment in Treasury Bills (TBs) amounted to ₦109.42 billion with an average yield of 14.17 percent p.a.

Both Lagos and Osun States issued 7-year tenured bonds during the year under review with coupon rates of 14.50 percent p.a. and 14.75 percent p.a. respectively. This brought the number of bond issuances by State Governments in which PFAs invested to 13. The distribution of pension fund investments in the various State Government Bonds as at 31 December 2012 is given in Table 3.11 below:

Table 3.11: Summary of Investments in State Government Bonds as at 31 December 2012

Name of State	Coupon Rate (%)	Tenor (Years)	Maturity Date	Market Value of Investment (₦ Million)	Weight (%)
Bayelsa	13.75	7	30/06/2017	8,565.81	8.92
Delta	14	7	30/09/2018	17,232.23	17.95
Ebonyi	13.5	5	30/09/2015	3,168.91	3.30
Ekiti	14.5	7	08/12/2018	52.10	0.05
Imo	15.5	7	30/06/2016	3,771.20	3.93
Kaduna	12.5	5	31/08/2015	3,298.02	3.43
Kwara	14	5	08/05/2014	6,931.97	7.22
Lagos (Series 1)	13	5	02/09/2014	17,551.29	18.28
Lagos (Series 2)	10	7	19/04/2017	15,076.10	15.70
Lagos (Series 1)	14.5	7	22/11/2019	4,793.88	4.99
Lagos (Series 1)	14	3	15/10/2014	1,439.37	1.50
Lagos (Series 2)	14	7	26/09/2018	4,667.95	4.86
Osun	14.75	7	12/12/2019	9,472.80	9.87
Total				96,021.63	100.00

As can be noted in Table 3.11, Lagos State had 5 issuances into which PFAs invested ₦43.53 billion, which is equivalent to 45.33 percent of total placements in State Government bonds. This was followed by Delta State bond with total investment of ₦17.23 billion (18 percent) while Ekiti State bond had the least investment of ₦52.10 million (0.05 percent).

Pension Funds did not make any new investment in corporate debt issues in 2012. However, the value of their investments in Corporate Debt Securities increased by 11 percent due to improved valuation and interest earned. The distribution of pension fund investments in the various Corporate Debt Securities is given in Table 3.12 below:

Table 3.12: Summary of RSA ‘Active’ Fund investments in Corporate Debt Securities as at 31 December 2012

S/N	Name of Issuer	Coupon Rate (%)	Tenor (Years)	Maturity Date	Total Investment (₦ Million)	Weight (%)
1	Crusader Plc	12	5	30/09/2013	563.83	1.89
2	Nigerian Aviation Handling Company Plc	13	5	20/09/2016	1,136.59	3.81
3	GTB Plc	13.5	5	18/12/2014	7,962.26	26.69
4	Dana Group	MPR+7	7	09/04/2018	155.52	0.52
5	Flour Mills	12	5	09/12/2015	516.87	1.73
6	Lafarge Wapco Plc	11.5	7	10/10/2014	4,694.31	15.73
7	Tower Funding Plc	MPR+7/MPR+	7	09/09/2018	440.56	1.48
8	UBA Plc	13	7	30/09/2017	3,078.25	10.32
9	UBA Plc	14	7	20/09/2018	7,765.02	26.02
10	UPDC Plc	10	5	17/08/2015	3,116.23	10.44
11	C & I Leasing	17.5	5	20/11/2017	408.09	1.37
	Total				29,837.53	100.00

The major pension fund investments in Corporate Debt Securities were in the bonds issued by UBA Plc, ₦10.84 billion (36.34 percent) of total investments in corporate bonds; Guaranty Trust Bank, ₦7.96 billion (26.69 percent); Lafarge Wapco, ₦4.69 billion (15.73 percent); and UPDC, ₦3.12 billion (10.44 percent).

The value of investments in money market instruments increased significantly by 125 percent compared to the value as at 31 December 2011. This resulted from the higher interest rates that averaged about 15.81 percent p.a. during the year. The value of money market investments averaged 13 percent of total RSA ‘Active’ Fund value between January 2012 and September 2012. However, this increased to 17.48 percent in the 4th quarter of 2012 due to PFAs reallocating more funds to money market instruments of banks and discount houses as yields on FGN Securities decreased.

The value of investments in Mutual Funds still represented less than 1 percent of total value of RSA ‘Active’ Fund though PFAs were allowed to invest up to 15 percent of the total assets under their management in this asset class. However, the release of the revised Investment Regulation in December 2010 allowed PFAs to invest in Private Equity Funds. Consequently, in March 2012, PFAs made their initial investment of RSA Funds in Private Equity (PE). As at 31 December 2012, the value of investment in PE Funds was ₦1.95 billion, representing less than 1 percent of total RSA ‘Active’ Fund value. It is expected that investments in PE will gradually increase with greater confidence by the PFAs on the asset class.

The un-invested cash balance of ₦10.47 billion as at 31 December 2012, represented newly unitized pension contributions awaiting deployment into the approved asset classes as well as matured tenured placements awaiting re-investment.

3.7 RSA Retiree Fund

The unaudited valuation of the assets of the RSA ‘Retiree’ Fund totalled ₦251.46 billion as at 31 December 2012, which indicates an increase of 43.44 percent over the portfolio value in 2011. Pension investments were mainly spread across six asset classes and largely invested in Federal Government Securities (65.99 percent); Money Market Instruments (20.95 percent); and State Government Bonds (7.91 percent) as shown in Table 3.13.

Table 3.13: Portfolio of RSA “Retiree” Funds as at December 2012

ASSET CLASS	2012		2011		Variance (₦ billion)
	Amount (₦ billion)	Weight (%)	Amount (₦ billion)	Weight (%)	
Quoted Equities	1.52	0.60	1.37	0.78	0.15
Federal Government Securities	165.92	65.99	118.83	67.79	47.09
State Government Bonds	19.88	7.91	12.29	7.01	7.59
Corporate Debt Securities	5.26	2.09	4.94	2.82	0.32
Money Market Instruments	52.69	20.95	33.68	19.21	19.01
Open/Close-End Funds	0.55	0.22	0.55	0.31	0
Supranational Bonds	0	0.00	0	0.00	0
Cash & Other Assets	5.63	2.24	3.64	2.08	1.99
Gross Asset Value	251.45	100.00	175.30	100.00	76.15
Charges/Transfers	0.25		0.06		
Net Asset Value	251.20		175.24		75.96

3.7.1 Sources of Portfolio Growth

The sources of portfolio growth for the RSA ‘Retiree’ Fund during the year under review are provided in Table 3.14 below.

Table 3.14: Sources of Portfolio Growth for the RSA ‘Retiree’ Fund

S/N	Sources of Portfolio Growth	2012	2011	Variance
		Amount (₦ billion)	Amount (₦ billion)	Amount (₦ billion)
1.	New Inflow of Funds <ul style="list-style-type: none"> • Transfers of RSA balances/Accrued Rights 	146.25	106.75	39.50
2.	Investment Income <ul style="list-style-type: none"> • Interests/Coupons • Net realized gains • Net Unrealized Gains/Losses 	25.97 0.26 0.39	14.80 0.18 (0.29)	11.17 0.08 0.68
3.	Retirement Benefits Paid	(94.84)	(72.12)	22.72
4.	Charges/Fees – charges were based on income earned on investment of the assets	(2.07)	(1.33)	0.74
	Total	75.96	47.99	27.97

The total transfers from the RSA ‘Active’ Fund increased by 37 percent in 2012 and comprised of RSA balances of contributors who retired within the year under review. The interests and coupons received on investments in money market instruments and bonds also increased by 75.47 percent from ₦14.8 billion in 2011 to ₦25.97 billion in 2012.

The net unrealized gains on investments in equities amounted to ₦0.39 billion in 2012 as against a loss of ₦0.29 billion in 2011. This could be attributed to the positive stock market performance during the year that encouraged some PFAs to slightly increase the level of Retiree Fund investments in equities. In addition, the net realized gains on sale of equities and bonds were increased by 44.44 percent.

The total retirement benefits paid grew by 31.50 percent due to the increase in the number of retirees under Programmed Withdrawal (PW) in 2012. The fees charged were based on income generated by the Funds and amounted to 7.5 percent of monthly income and is inclusive of 5 percent VAT charged PFAs on their investment income.

3.7.2 Retiree Fund Portfolio Performance

The RSA Retiree Fund recorded a Weighted Average Rate of Return (WARR) of 12.34 percent in 2012. Approximately 99 percent of the total assets were invested in fixed income securities while quoted ordinary shares accounted for the remaining 1 percent of the total portfolio value. About 61 percent of the investments

in ordinary shares were placements in the Financial Services sub-sector while Consumer Goods accounted for 19 percent and Industrial Goods and Construction/Real Estate accounted for 5 percent and 4 percent respectively.

Investments in Federal Government Securities accounted for 66 percent of total RSA Retiree Funds assets as at 31 December 2012. The Term to Maturity (TTM) profile of investments in FGN Bonds is provided in Table 3.15 below:

Table 3.15: Term to Maturity profile of FGN Bonds as at 31 December 2012

S/N	Term to Maturity	Amount (N billion)	Weight (%)
1	Below 3 years	61.68	44.19
2	3 years – 5 years	25.65	18.38
3	Above 5 years – 10years	20.1	14.40
4	Above 10 years	32.16	23.04
	Total	139.59	100.00

The Table 3.15 above indicated that 44.19 percent of total investments in FGN Bonds were in bonds with term to maturity of below 3 years. However, this level was far lower than the 58 percent recorded as at 31 December 2011 and could be attributed to the fact that all the new and re-issued FGN bonds in 2012 had a maturity profile of 5 years and above. This allowed PFAs to gradually reduce the concentration of short term (3-year) FGN bonds in their portfolios. Investment in Treasury Bills (TBs) amounted to ₦26.33billion as at 31 December 2012.

Total investments in State Government Bonds increased from ₦12.29 billion in 2011 to ₦19.88 billion in 2012 representing an increase of 61.76 percent. The increased investment in State Government Bonds was largely due to new issues by Lagos and Osun States and the attractive coupon rates of 14.50 and 14.75 percent per annum on these bonds respectively. The distribution of investments by the retiree Funds in the various State Government Bonds is presented in Table 3.16.

Table 3.16: Retiree Fund Investments in State Government Bonds

State Governments	Coupon Rate (%)	Tenor	Maturity Date	Total Placement (₦ Million)	Weight (%)
Bayelsa	13.75	7	30/06/2017	1,445.56	7.27
Delta	14	7	30/09/2018	1646.11	8.28
Ebonyi	13.5	5	30/09/2015	577.42	2.90
Ekiti	14.5	7	8/12/2018	3343.41	16.82
Imo	15.5	7	30/06/2016	21.97	0.11
Kaduna	12.5	5	31/08/2015	260.49	1.31
Kwara	14	5	8/5/2014	1510.95	7.60
Lagos (Series 1)	13	5	2/9/2014	1118.54	5.63
Lagos (Series 2)	10	7	19/04/2017	4034.55	20.29
Lagos (Series 1)	14.5	7	22/11/2019	1481.74	7.45
Lagos (Series 1)	14	3	15/10/2014	637.87	3.21
Lagos (Series 2)	14	7	26/09/2018	2070.46	10.41
Osun	14.75	7	12/12/2019	1732.05	8.71
Total Bonds				19,881.12	100.00

Investment in Corporate Debt Securities was valued at ₦5.26 billion and accounted for about 2 percent of total portfolio value, which indicated a growth of 70 percent over the value of ₦4.94 billion as at 31 December 2011. Table 3.17 provides the distribution of pension fund investments in the various Corporate Bonds.

Table 3.17: Retiree Fund Investments in Corporate Debt Securities

S/N	Name of Issuer	Coupon Rate (%)	Tenor (Years)	Maturity Date	Total Investment (₦ Billion)	Weight (%)
1	Crusader Plc	12	5	30/09/2013	49.52	0.94
2	Nigerian Aviation Handling Company	13	5	20/09/2016	413.36	7.85
	GTB Plc	13.5	5	18/12/2014	900.33	17.10
4	Dana Group Plc	MPR+7	7	9/4/2018	51.84	0.98
5	Flour Mills Plc	12	5	9/12/2015	90.68	1.72
6	Lafarge Wapco Plc	11.5	7	10/10/2014	420.99	8.00
7	Tower Funding Plc	MPR+7/MPR+5	7	9/9/2018	0.00	0.00
8	UBA Plc	13	7	30/09/2017	780.34	14.82
9	UBA Plc	14	7	20/09/2018	1,427.81	27.12
10	UPDC Plc	10	5	17/08/2015	1,089.30	20.69
11	C & I Leasing	17.5	5	20/11/2017	40.80	0.77
	Total				5,264.97	100.00

Investments in Money Market Instruments remained at an average of 15 percent of total RSA Retiree Fund value in the 1st quarter 2012 and reduced to 12 percent in the 2nd quarter, but gradually increased to an average of 16 percent in the 3rd quarter and 21 percent in the 4th quarter 2012. The increased allocation to money market instruments was mainly due to declining yields on FGN Securities in the 3rd and 4th quarters of 2012.

Mutual Fund investments accounted for 0.22 percent of total value of the RSA Retiree Fund in 2012. No new investments in mutual funds were made during the year. PFAs had largely maintained moderate levels of un-invested cash during the year to ensure optimum returns on pension funds.

3.8 Review of CPFA Funds

The value of pension fund assets under the management of CPFAs had grown by ~~N~~81.45 billion or 18 percent of the total CPFA assets in 2011 to ~~N~~536.09 billion in 2012. This increase was the net effect of new contributions received and funds injected by scheme sponsors to bridge funding deficits as well as the investment income. There was, however, a slight depreciation due to benefits paid to retired employees.

The portfolio was spread across seven broad asset classes, but were mainly in: Ordinary Shares (domestic: 16.74 percent; foreign: 7.45 percent); Government Securities (FGN: 32.93 percent; State Government: 2.39 percent); Money Market Instruments (domestic: 10.32 percent; foreign: 0.97 percent); Corporate Debt Securities (4.25 percent); and Real Estate (22.83 percent).

A breakdown of the portfolio of the CPFA funds for the years ended 31 December 2011 and 2012 is presented in Table 3.18.

Table 3.18: Portfolio of CPFA Funds as at December 2012

Asset Classes	2012		2011		Variance	
	Amount (₦ Billion)	Weight (%)	Amount (N Billion)	Weight (%)	Amount (N Billion)	Weight (%)
Domestic Ordinary Shares	89.75	16.74	66.66	14.66	23.09	34.64
Foreign Ordinary Shares	39.96	7.45	32.65	7.18	7.31	22.39
FGN Securities	176.54	32.93	127.36	28.01	49.18	38.61
State Govt. Securities	12.82	2.39	7.17	1.58	5.65	78.80
Corporate Debt Securities	22.77	4.25	28.84	6.34	(6.07)	(21.05)
Domestic Money Market Securities	55.35	10.32	62.68	13.79	(7.33)	(11.69)
Foreign Money Market Securities	5.18	0.97	0.64	0.14	4.54	709.38
Open/Close-End Funds	5.42	1.01	2.02	0.44	3.4	168.32
Real Estate Property	122.38	22.83	117.73	25.90	4.65	3.95
Private Equity	4.55	0.85	6.07	1.34	(1.52)	(25.04)
Cash & other Assets	1.37	0.26	2.82	0.62	(1.45)	(51.42)
Total Pension Assets	536.09	100.00	454.64	100.00	81.45	17.92

3.8.1 Sources of Portfolio Growth/Diminution

The breakdown of the net growth of CPFA Funds for the year under review is presented in Table 3.19.

Table 3.19: Sources of Portfolio Growth for CPFA Funds in 2012

S/N	Sources of Growth	2012	2011	Variance
		Amount (₦ Billion)	Amount (₦ Billion)	Amount (₦ Billion)
1	New Contributions/Funds Injected by the Scheme Sponsor	34.43	40.43	-6.00
2	Interest/Coupon Income	31.43	20.54	10.89
3	Dividends Received	2.44	3.64	-1.20
4	Rental Income	3.23	2.77	0.46
5	Net Unrealized Gains/Losses	34.93	-6.07	41.00
6	Net Realized Gains/Losses	-0.76	0.05	-0.81
7	Other Investment Income	11.15	9.66	1.49
8	Payment of retirement Benefits	-28.73	-18.07	-10.66
9	Assets Based Fees	-3.06	-2.65	-0.41
10	Other Charges & Expenses	-0.14	-0.04	-0.10
11	Deposit for Sale of Equities	-3.47	0	-3.47
	Total	81.45	50.26	31.19

New contributions and capital injection by the Scheme sponsors accounted for 42.27 percent of the net growth during the year. The amount injected by the Sponsors was determined by the funding gaps established in the preceding year's actuarial valuation report. On the other hand, contributions under the defined contribution schemes were based on predetermined and agreed rates based on the monthly emoluments of the employees.

The total Interests/Coupons received for the period was 38.59 percent of the total growth and was about 53 percent higher than the amounts received in 2011. This resulted primarily from the relatively higher yields that prevailed in 2012. However, dividends received on investment in ordinary shares were lower by about 33 percent than what was recorded in 2011.

The net unrealized gains for the year grew by ₦34.93 billion from the unrealized losses of ₦6.07 billion in 2011 when the stock market performed poorly. Net realized losses on sale of equities and bonds amounted to ₦763.16 million as against realized gains of ₦56.14 million recorded in 2011. This was mainly due to full divestment by one of the CPFAs from equity investments of a bank due to corporate governance concerns. The total other investment income of ₦11.15 billion comprised of income from private equity investments and revaluation surpluses on real estate properties.

The total asset based fees paid were 0.71 percent of the Net Asset Value (NAV) as against the maximum allowable rate of 1.55 percent of the NAV. The other charges to the Funds relate to provisions for Audit Expenses and Withholding Taxes.

3.8.2 Portfolio Performance

CPFAs' investments in Private Equity Funds and Real Estate Properties effectively boosted the return on investment of 18.02 percent for the year. Domestic ordinary share investments slightly increased from 14.66 percent to 16.74 percent of CPFAs' total portfolio value as at the end of 2012. Placements in equities of consumer goods sub-sector were the highest amongst all sub-sectors, accounting for 49 percent of domestic equity investments. Other significant investments were in Financial Services (34.44 percent); Conglomerates (8.32 percent) and Industrial goods (5.00 percent) as shown in Table 3.20.

Table 3.20: CPFA Sectorial Investment in Domestic Equities in 2012

Sector	Amount (N billion)	Weight (%)
Agriculture	0.20	0.23
Construction/real estate	0.57	0.64
Consumer goods	44.33	49.40
Financial services	30.91	34.44
Healthcare	0.31	0.34
Industrial goods	4.49	5.00
Natural resources	0.05	0.06
Oil & gas	1.37	1.52
Services	0.05	0.05
Conglomerates	7.47	8.32
Total	89.75	100.00

Investments in Federal Government Securities (bonds and treasury bills) were valued at 32.93 percent of CPFAs total portfolio value, which showed an increase of 5 percent from the rate as at the end of 2011. The profile of investments in FGN Securities is presented in Table 3.21.

Table 3.21: Term to Maturity Profile of FGN Bonds as at 31 December 2012

FGN Securities	Total Investment (N Billion)	Weight (%)
0 – 3 years	80.80	45.77
3 - 5 years	7.95	4.50
5 – 10 years	39.94	22.62
Above 10 years	20.41	11.56
Total Bonds	149.10	84.45
Treasury Bills	27.45	15.55
Total FGN Securities	176.55	100.00

It should be noted that most of the primary FGN bond issues during the year were in re-openings of 5, 7 and 10 year bonds. This therefore resulted in increased investments in the 5 year FGN Bonds from 3 percent in December 2011 to 23 percent as at 31 December 2012.

The value of investments in State Government Bonds increased by 79 percent over the value recorded in 2011. Details of investments of CPFAs in State Government Bonds as at 31 December 2012 are provided in Table 3.22.

Table 3.22: CPFA Investment in State Government Bonds

State Government	Coupon Rate (%)	Tenor (Years)	Maturity Date	Market Value of Investment (₦ Million)	Weight (%)
Bayelsa	13.75	7	30/06/2017	1,295.36	10.11
Delta	14.00	7	30/09/2018	942.20	7.35
Kaduna	12.50	5	31/08/2015	625.48	4.88
Lagos (Series 1)	13.00	5	02/09/2014	4,584.78	35.78
Lagos (Series 2)	10.00	7	19/04/2017	5,367.70	41.88
Total				12,815.52	100.00

Investment in Corporate Debt Securities was 4.25 percent of CPFA portfolio value, which shows a decline of 21 percent over the value of investments in 2011. This was attributed to the partial divestments that occurred during the year under review. Investments in domestic money market investments also declined by 12 percent during the year. However, investments in foreign money market instruments increased by ₦4.54 billion (709.38 percent) in 2012, though the total placement was only 0.97 percent of the total CPFA portfolio.

Investments in real estate increased by 4 percent during the year under review over the total placements in 2011. The increase was mainly attributable to the revaluation of the properties, in addition to the capitalization of expenses in respect of ongoing development projects. The cash balances were mainly matured tenured deposits as well as cash provisions to meet the liquidity requirements of the Funds for payment of monthly pensions to their retirees.

3.9 Review of Approved Existing Schemes

The value of AES assets increased by 5.12 percent from ₦519.57 billion as at 31 December 2011 to ₦546.18 billion as at 31 December 2012. The net increase was primarily attributed to the new contributions/funds injected by the sponsor and investment income. The value of the assets was depressed during the year due to discontinuation of some existing schemes and eventual transfer of the schemes' assets to the RSA 'Active' Funds. The portfolio of the AES Funds is provided in Table 3.23 below.

Table 3.23: Portfolio of AES Funds as at December 2012

Asset Class	2012		2011		Variance
	Amount (₦ billion)	Weight (%)	Amount (₦ billion)	Weight (%)	Amount (₦ billion)
Ordinary Shares	86.39	15.77	106.26	20.45	-19.87
Federal Government Securities	262.35	47.90	221.61	42.65	40.74
State Government Securities	38.39	7.01	24.37	4.69	14.02
Corporate Debt Securities	12.65	2.31	14.32	2.76	-1.67
Open/Close Funds	1.71	0.31	1.69	0.33	0.02
Money Market Instruments	61.41	11.21	74.89	14.41	-13.48
Real Estate	66.22	12.09	68.32	13.15	-2.1
Cash & Other Assets	18.57	3.39	8.1	1.56	10.47
Total	547.69	100.00	519.56	100.00	28.13

3.9.1 Sources of Portfolio Growth

A breakdown of the sources of the AES portfolio growth for the year shows that new contributions/funds injected by sponsors/legacy assets transferred amounted to ₦76.95 billion as shown in Table 3.24.

Table 3.24: Sources of Portfolio Growth for the AES Funds

Source of Portfolio Growth	2012	2011	Variance
	Amount (N Million)	Amount (N Million)	Amount (N Million)
New Contributions/Funds Injected by Sponsors/Legacy Assets Transferred	76,949.30	23,292.01	53,657.29
Interest/Coupon Income	30,214.38	31,224.88	(1,010.50)
Dividend Income	3,428.90	3,944.33	(515.43)
Rental Income	622.7	340.62	282.08
Receivables from Real Estate	240.8	0	240.8
Revaluation Surplus	2,164.82	0	2,164.82
Net Unrealized Gains/(losses) on Equities	25,973.54	(24,469.64)	50,443.18
Net Realized Gains/Losses on disposal of Securities	(3,348.76)	788.96	(4,137.72)
Payment of Retirement Benefits	(23,869.01)	(28,891.75)	5,022.74
Asset Based Fees & Other Charges	(5,764.29)	(4,461.94)	(1,302.35)
Transfer of Assets to RSA 'Active' Fund	(78,505.49)	0	(78,505.49)
Total	26,588.53	1,767.47	24,821.06

The net unrealized gains on investments in equities/equity funds amounted to ₦25.97 billion as against the net unrealized losses of ₦24.47 billion in 2011. This was a reflection of the performance of the Nigerian Stock Market in 2012. The net

realized losses on equity/equity funds of ₦3.35 billion were due to divestment from some equity investments.

A total of ₦23.87 billion was paid as retirement benefits during the year for retired members of the AES schemes. The decrease of 17 percent over the amount paid in 2011 was due to the transfers of assets to the RSA 'Active' funds as a result of discontinuation of some schemes.

The average fees charged was 0.96 percent on the NAV as opposed to the maximum allowable rate of 1.55 percent. This was mainly due to the low negotiated management fee rates by Scheme Sponsors. However, fees charged on gratuity and retiree funds remained on monthly investment incomes.

3.9.2 Portfolio Performance

The weighted average Return on Investment (ROI) on the AES Fund was 13.43 percent. This was an improved performance over the 2.89 percent recorded in 2011 and was due to the improved performance recorded in the stock market.

Placements in quoted equities, which attracted unrealized gains of ₦25.97 billion due to appreciation in market prices, accounted for 15.77 percent of the total AES Funds under management. Investments in the Banking sub-sector accounted for 45 percent of total equity investments by AES Funds. Other significant investments were in breweries (15 percent); petroleum marketing (10 percent); and building materials (9 percent).

Federal Government Securities (bonds and treasury bills) constituted the largest share of AES pension fund assets. Placements in these increased by 18 percent over the AES holdings in FGN securities in 2011. Investment in Treasury Bills was ₦27.45 billion as at the end of the year under review. The 'Term to Maturity' profile of investments in FGN Bonds by AES Funds is presented in Table 3.25.

Table 3.25: Term to Maturity Profile of AES Investments in FGN Bonds

S/N	Term to Maturity	Weight (%)
1.	Below 3years	40
2.	3years – 5years	19
3.	Above 5years – 10yrs	31
4.	Above 10years	10
	Total Bonds	100

Investment in Treasury Bills was ~~N~~45.10 billion as at the end of the year under review. The average yield on investments in Treasury bills was 14.17 percent p.a.

The value of investments in State Government Bonds increased from ~~N~~24.37 billion in 2011 to ~~N~~38.39 billion in 2012 representing an increase of 57.53 percent. This increase was due to additional purchases made following new issues by more State Governments in the second and last quarters of the year as the relatively high average coupon rate of 13.69 percent during the period. Details of AES Funds' investment in State Government Bonds as at 31 December 2012 are provided in Table 3.26.

Table 3.26: AES Funds' Portfolio of State Government Bonds

State Government	Coupon Rate (%)	Tenor (Years)	Maturity Date	Market Value of Investment (N Million)	Weight (%)
Bayelsa	13.75	7	30/06/2017	6,654.54	17.34
Delta	14.00	7	30/09/2018	6,298.18	16.41
Ebonyi	13.50	5	30/09/2015	1,342.37	3.50
Imo	15.50	7	30/06/2016	4,355.55	11.35
Kwara	14.00	5	08/05/2014	2,749.14	7.16
Lagos (Series 1)	13.00	5	02/09/2014	4,546.68	11.84
Lagos (Series 2)	10.00	7	19/04/2017	7,093.14	18.48
Lagos (Series 3)	14.50	7	22/11/2019	59.32	0.15
Niger (Series 1)	14.00	3	15/10/2014	825.48	2.15
Niger (Series 2)	14.00	7	26/09/2018	813.83	2.12
Osun	14.75	7	12/12/2019	3,649.29	9.51
Total				38,387.52	100.00

Investment in Corporate Debt Securities decreased from ~~N~~14.32 billion in 2011 to ~~N~~12.65 billion in 2012 representing a decline of 12.00 percent as shown in Table 3.27. The decrease was mainly due to the divestment in corporate securities by the CBN following its transition from the Defined Benefit (DB) Scheme to the DC Scheme and the need to fund the RSAs of its employees.

Table 3.27: Portfolio of AES Investment in Corporate Bonds

S/N	Name of Issuer	Tenor (Years)	Maturity Date	Coupon Rate (%)	Total Investment (₦ Million)	Weight (%)
1	Crusader Plc	5	30/09/2013	12	104.41	0.83
2	GTB Plc	5	18/12/2014	13.5	1,022.23	8.08
3	Flour Mills Plc	5	09/12/2015	12	95.63	0.76
4	UBA Plc	7	30/09/2017	13	5,175.46	40.93
5	UBA Plc	7	20/09/2018	14	3,047.90	24.10
6	UPDC Plc	5	17/08/2015	10	3,199.98	25.31
	Total				12,645.61	100.00

The value of investments in domestic Money Market Instruments decreased by 18 percent in 2012 due to relatively low interest rates. Similarly, the value of investments in Open/Close Funds decreased by 1 percent as at the end of 2012 due to the transfer of assets to Active RSA Funds by some AES Funds. Also, there was a decline of 3.07 percent in the value of AES investments in Real Estate. Un-invested cash in the various AES Funds represented matured investments awaiting re-investment as at 31 December 2012. Interest rate on un-invested cash balances averaged 3 percent but attracted up to 5 percent at the end of the year.

3.10 Benefits Administration

3.10.1 Retirees on Programmed Withdrawal

The total number of retirees on Programmed Withdrawal (PW) increased from 42,644 in 2011 to 59,104 as at 31 December 2012, representing 38.60 percent. As shown in Table 3.28, Federal Government retirees accounted for 82.35 percent, followed by the private sector retirees (15.24 percent) and the retirees from the State Governments (2.41 percent).

Table 3.28: Retirees on Programmed Withdrawal as at December 2012

Sector	2009		2010		2011		2012	
	Number	Weight (%)	Number	Weight (%)	Number	Weight (%)	Number	Weight (%)
Federal Government	15,319	93.02	25,041	89.85	36,774	86.23	48,671	82.35
State Government	0	0.00	0	0.00	670	1.57	1,427	2.41
Private Sector	1,150	6.98	2,830	10.15	5,200	12.19	9,006	15.24
Total	16,469	100.00	27,871	100.00	42,644	100.00	59,104	100.00

Similarly, as shown in Table 3.29, male retirees accounted for 82.08 percent of the total retirees as at 31 December 2013 while female retirees accounted for 17.92 percent. The sum of ₦155.27 billion had been paid as lump sum to those who retired through PW contracts from inception to December 2012 while the sum of ₦1.81 billion was paid to them as average monthly pension.

Table 3.29: Payment of Retirement Benefits through Programmed Withdrawal

Sector	Male		Female		Total		Weight (%)		Average Monthly PW (₦ Million)		Lumpsum (₦ Million)	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
FGN	30,530	39,922	6,244	8,749	36,774	48,671	86.24	82.35	1,268.10	1,644.09	112,656.50	145,142.08
State	273	685	397	742	670	1,427	1.57	2.41	19.69	42.78	1,910.04	3,802.25
Private	4,560	7,908	640	1,098	5,200	9,006	12.19	15.24	70.56	126.85	3,438.30	6,326.93
Total	35,363	48,515	7,281	10,589	42,644	59,104	100.00	100.00	1,358.35	1,813.72	118,004.84	155,271.26

3.10.2 Retirement by Annuity

A total of 2,434 requests for payment of retirement benefits through Life Annuity were approved during the year under review. Similarly, the sum of ₦7.98 billion was paid to these retirees as lump sum while a total of ₦12.09 billion was paid to insurance companies as premium for payment of their monthly annuity, which averaged ₦118.06 million as at 31 December 2012. A summary of the approvals on retirement by annuity is presented in Table 3.30.

Table 3.30: Retirement by Annuity as at 31 December 2012

Sector	Male		Female		Total		Weight (%)		Average Monthly Annuity (₦ Million)		Lumpsum (₦ Million)		Premium (₦ Million)	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Federal Government	415	1,452	101	398	587	1,850	83.15	76.01	23.28	84.48	2,017.97	5,956.84	2,561.03	8,663.32
State Government	26	160	61	229	87	389	12.32	15.98	3.53	16.46	383.52	1,185.88	383.52	1,699.57
Private Sector	21	175	8	20	32	195	4.53	8.01	1.28	17.12	66.58	841.97	117.19	1,726.53
Total	462	1,787	170	647	706	2,434	100	100	28.09	118.06	2,468.07	7,984.69	3,061.74	12,089.42

The retirees under the PW accounted for 96.04% of the total number of retirees under the CPS as at December 2012. However, there was an increase of 245 percent in the number of retirees under annuity than the 706 recorded in 2011 to

1,787. Similarly, the premium income received by the insurance companies increased by 295 percent compared to the premium paid in the previous year. In addition, monthly annuity had increased by 321 percent during the year under review.

3.10.3 Approval of Death Benefits

Approvals were given to applications for accessing benefits of 9,115 deceased contributors. The sum of ₦24.16 billion was paid as death benefits in 2012 out of which beneficiaries of deceased employees of the FGN, private sector and State Government were paid 81.37 percent, 17.18 percent and 1.45 percent of the total amount respectively. Breakdown of payment of death benefits is presented in Table 3.31.

Table 3.31: Death Benefits Payments as at December 2012

Sector	Male		Female		Total		Weight (%)		Death Benefits Amount (₦ Billion)	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Federal Government	2,861	6,240	432	955	3,293	7,195	86.5	78.94	7.10	19.66
State Governments	8	40	9	38	17	78	0.45	0.86	0.07	0.35
Private Sector	434	1,618	61	224	495	1,842	13.01	20.21	0.76	4.15
Total	3,303	7,898	502	1217	3,805	9,115	100.00	100.00	7.93	24.16

3.10.4 Missing Persons

During the period under review, the Commission received reports of 3 missing employees. Their employers were asked to forward all the necessary information required to process their benefits.

3.10.5 Withdrawal of 25 Percent of RSA Balances

During the year under review, approvals were granted for payment of 25 percent of RSA balances totalling ₦3.46 billion to 18,772 RSA holders who were disengaged and could not secure new employment six months. The private sector accounted for 95.50 percent of these requests while the Federal and State Government retirees accounted for 4.30 percent and 0.20 percent of the requests respectively as shown in Table 3.32 below.

Table 3.32: Withdrawal of 25 percent of RSA Balance in 2012

Sector	Retirees				Total 25% Requested (₦ Million)
	Male	Female	Total	Weight (%)	
Federal Government	617	191	808	4.30	242.48
State Government	21	16	37	0.20	15.93
Private Sector	15,439	2,488	17,927	95.50	3,198.24
Total	16,077	2,695	18,772	100.00	3,456.65

3.10.6 En-bloc payment

Approval was granted during the year for en-bloc payment of RSA balances totalling ₦2,237.41 million to 9,572 RSA holders, which were made up of 7.38 percent FGN retirees, 0.43 percent State Government retirees and 92.19 percent Private Sector retirees as shown in Table 3.33. These approvals related to retirees whose RSA balances were less than ₦500,000.00 each.

Table 3.33: En-bloc Payment in 2012

Sector	Retirees				Total En-Bloc Requested (₦ Million)
	Male	Female	Total	Weight (%)	
Federal Government	571	135	706	7.38	178.62
State Government	37	4	41	0.43	13.14
Private Sector	8,181	644	8,825	92.19	2,045.65
Total	8,789	783	9,572	100	2,237.41

3.10.7 Retirement on Medical Grounds

Approvals were given for the payment of ₦11.30 million and ₦5.96 million as Lumpsum and monthly pension respectively to 46 eligible contributors who retired on medical grounds during the year under review. A sectorial breakdown of the beneficiaries is provided in Table 3.34.

Table 3.34: Retirement on Medical Grounds in 2012

Sector	Retirees				Lumpsum (₦ Million)	Programmed Withdrawal (₦ Million)
	Male	Female	Total	Weight (%)		
Federal Government	1	3	4	8.70	1.77	0.04
Private Sector	32	10	42	91.30	9.53	5.92
Total	33	13	46	100.00	11.30	5.96

Retirement benefits for this category of retirees were approved after the advice of suitably qualified physicians were obtained; or a properly constituted Medical Board certified that the employees were no longer mentally or physically capable of carrying out their official functions.

PART FOUR: PENSION OPERATORS STATISTICS

4.1 RSA Registration by PFA

The total number of RSA holders by PFAs was 5,390,448 as at 31 December, 2012 as shown in Table 4.1. The Table shows that IBTC PFA accounted for the highest proportion of RSA registrations at 1,118,193, which represents 20.74 percent of total registration. Sigma Pensions Limited was the second largest at 591,807, followed by Trustfund Pensions Plc with 577,588 total registrations.

Table 4.1 RSA Registrations by PFA

S/No	PFA	Total RSA Registration	Weight (%)
1	AllCO Pension Managers	168,289	3.12
2	Apt Pension Fund Managers Limited	75,412	1.40
3	ARM Pension Managers Limited	496,969	9.22
4	Citi Trust Pension Managers Limited	6,336	0.12
5	Crusader Sterling Pension Limited	215,557	4.00
6	Fidelity Pension Managers Limited	76,734	1.42
7	First Guarantee Pension Limited	179,325	3.33
8	Future Unity Glanvills Pensions Limited	69,310	1.29
9	IEI-Anchor Pension Managers Limited	63,620	1.18
10	IGI Pension Fund Managers Limited	3,373	0.06
11	Leadway Pensure PFA Limited	363,929	6.75
12	Legacy Pension Managers Limited	224,956	4.17
13	NLPC Pension Fund Administrators Ltd.	181,633	3.37
14	Oak Pensions Limited	135,643	2.52
15	Penman Pensions Limited	44,761	0.83
16	Pension Alliance Limited	341,287	6.33
17	Premium Pension PFA	451,342	8.37
18	GT-AM Pension	5,834	0.11
19	Sigma Pensions Limited	592,093	10.98
20	Stanbic IBTC Pension Managers Limited	1,118,733	20.74
21	Trustfund Pensions PLC	577,867	10.72
	Total	5,393,001	100.00

¹ Formerly Royal Trust Pension Fund Administrator Limited

A further classification of RSA registrations by the rank of PFAs shows that the top 3 PFAs accounted for 42.44 percent of total RSA registrations as revealed in Table 4.2. Table 4.2 further shows that while the top 5 PFAs accounted for 60.02 percent, the top 10 PFAs had a proportional contribution of 84.63 percent of total RSA registrations.

Table 4.2: RSA Registrations by Rank of PFAs

Rank	Total	Percentage of Total
Top 3	2,287,588	42.44
Top 5	3,235,441	60.02
Top 10	4,562,162	84.63
Bottom 3	15,535	0.29
Bottom 5	123,863	2.30
Bottom 10	648,999	12.04

In addition, Table 4.2 further shows that the bottom 3 PFAs accounted for 0.29 percent of total RSA registration. The bottom 5 and 10 PFAs accounted for 2.30 and 12.04 percent respectively during the review period.

4.2 Pension Fund Assets under Management by PFA

A review of the RSA Active and Retiree Funds assets under management shows a dominant PFA which accounted for 37.33 percent of total pension assets as at 31 December, 2012 as shown in Table 4.3. A classification of PFAs by the quantum of their pension fund assets shows that the top 3 PFAs had 56.20 percent of total pension fund assets under their management as shown in Table 4.4. The Table further shows that ten PFAs accounted for 91.68 percent of total pension fund assets under management in 2012.

The foregoing implies that the remaining 13 PFAs accounted for 8.09 percent of total pension fund assets under management. While 0.23 percent of the pension fund assets were under the management of the bottom 3 PFAs, the bottom 5 and 10 PFAs accounted for 1.18 and 8.32 percent respectively.

Table 4.3: Net Pension Fund Assets under the Management of PFAs

S/N	Pension Fund Administrator (PFA)	RSA ACTIVE	RETIREE	Total	% of Total
		(N' Million)	(N' Million)	(N' Million)	
1	AllCO Pension Managers	22,649.03	2,314.19	24,963.22	1.27
2	Apt Pension Fund Managers Limited	11,534.59	112.23	11,646.82	0.59
3	ARM Pension Managers Limited	159,251.18	18,496.23	177,747.41	9.04
4	Crusader Sterling Pension Limited	63,538.48	7,670.13	71,208.61	3.62
5	Fidelity Pension Managers Limited	12,469.52	166.73	12,636.25	0.64
6	First Guarantee Pension Limited	57,586.85	12,612.67	70,199.52	3.57
7	Future Unity Glanvills Pensions Limited	13,971.00	929.46	14,900.46	0.76
8	IEI-Anchor Pension Managers Limited	6,697.86	216.91	6,914.77	0.35
9	IGI Pension Fund Managers Limited	258.10		258.10	0.01
10	Leadway Pensure PFA Limited	90,931.79	13,835.58	104,767.37	5.33
11	Legacy Pension Managers Limited	60,517.46	7,783.61	68,301.07	3.47
12	NLPC Pension Fund Administrators Ltd.	59,805.41	10,601.69	70,407.10	3.58
13	Oak Pensions Limited	16,857.23	773.26	17,630.49	0.90
14	Penman Pensions Limited	3,686.52	209.79	3,896.31	0.20
15	Pension Alliance Limited	87,423.25	9,550.76	96,974.01	4.93
16	Premium Pension	156,651.49	36,521.47	193,172.96	9.83
17	GT-AM Pension GT-AM Pension ¹	441.35		441.35	0.02
18	Sigma Pensions Limited	117,538.00	27,259.16	144,797.16	7.37
19	Stanbic IBTC Pension Managers Limited	649,765.26	83,956.97	733,722.23	37.33
20	Trustfund Pensions PLC	122,594.07	18,449.56	141,043.63	7.18
	TOTAL	1,714,168.44	251,460.40	1,965,628.84	100.00

¹ Formerly Royal Trust Pension Fund Administrator Ltd

Table 4.4: Pension Fund Assets by Rank of PFAs

Rank	Total (N' Billion)	% of Total
Top 3	1,104.62	56.20
Top 5	1,390.48	70.74
Top 10	1,802.14	91.68
Bottom 3	4.60	0.23
Bottom 5	23.16	1.18
Bottom 10	163.52	8.32

The ranking of PFAs by the quantum of RSA Active Fund Assets shows that the top 3 PFAs accounted for more than half of the total assets under management at 56.20 percent as shown in Table 4.5.

Table 4.5: RSA Active Fund Assets by Rank of PFAs

Rank of PFA	Total (₦ Billion)	% of Total
Top 3	965.67	56.33
Top 5	1,205.80	70.34
Top 10	1,568.02	91.47
Bottom 3	4.38	0.26
Bottom 5	22.62	1.32
Bottom 10	146.21	8.53

The table also shows that the top ten PFAs had 91.47 percent of total assets under their management. However, the bottom 3, 5 and 10 PFAs had 0.26, 1.32 and 8.53 percent of the pension assets under their management respectively.

The rank of PFAs by the volume of Retiree Funds under management shows that the top 3 PFAs accounted for 58.75 percent of the RSA Retiree Fund Assets. The top 5 and 10 PFAs accounted for 73.44 and 95.07 percent of the assets respectively.

Table 4.6: Retiree Fund by Rank of PFA

Rank of PFA	Total (₦ Billion)	% of Total
Top 3	147.74	58.75
Top 5	184.68	73.44
Top 10	239.07	95.07
Bottom 3	0.49	0.19
Bottom 5	1.48	0.59
Bottom 10	29.73	11.82

Table 4.6 further shows that the distributions of RSA Retiree assets are skewed in favour of the top 10 PFAs which accounted for 95.07 percent of total Retiree assets. The bottom 3 PFAs accounted for an infinitesimal proportion 0.19 percent of RSA Retiree Fund assets. Similarly, the bottom 10 PFAs accounted for a modest proportion of 11.82 percent of total RSA Retiree Fund assets.

4.3 Pension Fund Contributions by PFA

A classification of PFAs by market share of pension contributions shows that the top 3 PFAs accounted for 58.17 percent of pension fund contributions while the bottom 3 PFAs had 0.82 percent of the total contributions as shown in Table 4.8.

Table 4.8: Pension Fund Contribution by Rank of PFA

Rank of PFA	Total (N' Billion)	% of Total
Top 3	299,124.15	58.17
Top 5	364,987.24	70.97
Top 10	462415.19	89.92
Bottom 3	4,199.36	0.82
Bottom 5	10,991.09	2.14
Bottom 10	68,094.21	13.24

PART FIVE: OUTLOOK OF THE PENSION INDUSTRY

In 2012, the pension industry operated in a positive macroeconomic environment characterised by positive growth in the Gross Domestic Product (GDP) coupled with a stable, albeit double digit inflation rate. The Commission's work plan for 2013 was thus set against a projected continuous positive macro-economic environment in the country. In this regard, PenCom would continue to focus on achieving its statutory objectives and further expanding implementation of the CPS in Nigeria. The regulatory and supervisory outlook for 2013 is the consolidation of successes recorded in the five areas of focus in 2012: continuation of measures to improve the health of the pension industry through encouragement of mergers/acquisitions, implementation of a robust risk-based supervisory framework and improved automation of the rendition of returns by operators; ensuring safety and fair returns of pension fund investments as well as contributing in the development of the real sector of the economy; expansion of implementation of the CPS to cover the States/Local Governments and the Informal sector of the Nigerian economy; compliance in the management of pension funds by Pension Departments under the transitional arrangement; and improvement in the internal processes of the Commission. However, additional areas of focus in 2013 would be the review of the PRA 2004 to further strengthen the CPS and addressing service delivery issues in the industry.

As a sequel to the consolidation exercise in which licensed PFAs were required to increase their minimum share capital requirements from ₦150 million to ₦1 billion by 30 June, 2012, the Commission would finalize the framework for mergers/acquisitions. This is expected to further strengthen the health of the industry as the framework for an orderly process for mergers/acquisitions among pension fund operators would be put in place. Furthermore, a review of the guidelines for the appointment and qualification of top management staff and alternate directors of pension fund operators is an additional initiative directed at further strengthening the pension operators and the industry in general.

To improve the effectiveness and cost of supervision of the industry, work would be concluded on the development and implementation of a robust risk based supervisory framework for the industry. Similarly, the full implementation of the Risk Management and Analysis System (RMAS) application, which commenced with the pilot run in 2012, would greatly enhance on-site supervision through timely and accurate rendition of returns by operators. The full implementation of the RMAS application would commence with the Go Live date scheduled for the first quarter of 2013. Furthermore, take-off of the Pension Transition Arrangement Department (PTAD) in 2013 would enhance not only the Commission's regulatory oversight over the Pension Departments but ensure the proper management of pension funds under the defined benefit scheme. PenCom would continue the

monitoring of the implementation of these initiatives to improve the health of the industry.

PenCom would continue to partner with other regulatory agencies and both local and international asset managers to encourage the development of new investible securities/asset classes for pension funds to further diversify and ensure the generation of above-inflation returns in the long run. Focus would be on partnering with relevant stakeholders to ensure the availability of long term (safe) investment outlets for pension funds that would impact on the real sector of the economy. Furthermore, the introduction of the multi-fund structure in 2013 would give contributors the opportunity to select the fund in which their pension assets would be invested based on their risk appetites.

To enhance coverage of the working population and the informal sector, PenCom would conclude the framework for informal sector participation. The framework would outline the various strategies and incentives to ensure that persons in the informal sector contribute for their pension as provided under Section 9(4) of the PRA 2004. In addition, private sector compliance would be vigorously pursued through the appointed Recovery Agents to recover all outstanding contributions including interest penalties from all defaulting employees. Similarly, PenCom would continue to provide all technical support needed by the state governments in their efforts to adopt the CPS.

The Commission would conclude the review of the implementation of the Pension Reform Act 2004 and propose amendments to the Act in the National Assembly towards enhancing the implementation of the Contributory Pension scheme in Nigeria. This is a culmination of the experience garnered in the implementation of the CPS as well as feedback obtained from various stakeholders.

In 2013, PenCom would conduct a customer satisfaction survey to assess the level of satisfaction of contributors with the CPS. However, to address the generally perceived poor level of service delivery by pension operators, PenCom would drive initiatives aimed at achieving the objectives of improving staff capacity and improving industry tools and technologies. Towards this end, the establishment of a National Pension Institute, concluding modalities on certification programme on investment and risk management, and development of Pension industry wide staff incentive guidelines would be vigorously pursued. In a similar vein, the industry framework and plan for implementing technology initiatives would be developed in 2013.

Finally, there would be a continuation of the implementation of various initiatives to enhance the Commission's internal processes to more effectively discharge its regulatory and supervisory functions. In this regard, the implementation of the first

phase of the Oracle e-business suite to improve operational efficiency within the Commission would be concluded within the year. In addition, the second phase to incorporate the Customer Relationship Management (CRM) and Call Centre to effectively address customer complaints and requests would be implemented.

PART SIX: ADDRESSES AND PROFILES OF PENSION OPERATORS

6.1 Contact Details of Pension Fund Operators

Table 6.1: Pension Fund Administrators

S/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
1	Aiico Pension Managers Limited	Eguarekhide J.Longe	Plot 2, Oba Akran Avenue, Ikeja Lagos	08157306868 01-2624667, 2625003	info@aiicopension.com www.aiicopension.com
2	Apt Pension Funds Managers Limited	Dr. Al-Mujtaba Abubakar	Federal Mortgage Bank House, Plot 266, Cadastral AO, Central Business District, Garki, Abuja	08033146939 09-4614400-29,	info@aptpension.com www.aptpensions.com
3	ARM Pension Managers (PFA) Limited	Sadiq Mohammed	Plot 698, Sanusi Fafunwa Street, Victoria Island, Lagos	08034021705, 01-2715000	info@armpension.com www.armpension.com
4	CrusaderSterling Pensions Limited	Adeniyi Falade	Plot 42, Adeola Hopewell Street, Victoria Island, Lagos	08058004953, 01-2713800-4	info@crusaderpensions.com www.crusaderpensions.com
5	Fidelity Pension Managers Limited	Amaka Andy-Azike (Ag.MD/CEO)	2 Adeyemo Alakija Street, Victoria Island, Lagos	08033257523, 01-4626968-9, 4626993	info@fidelitypensionmanagers.com www.fidelitypensionmanagers.com
6	First Guarantee Pension Limited	Chima Akalezi (Ag.MD/CEO) interim Management Committee	Irorun Plaza 65, Kudirat Abiola Way Oregun, Ikeja , Lagos.	08033279973 09-4130995, 094131006, 094130732-3	info@firstguaranteepension.com www.firstguaranteepension.com
7	Future Unity Glanvills Pensions Limited	Usman B. Suleiman	Plot 1230B Bishop Oluwole Street, Victoria Island, Lagos	08033435906, 01-4627060, 01-4627061	info@fugpensions.com www.fugpensions.com

Table 6.1: Pension Fund Administrators (Cont'd)

S/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
8	IEI-Anchor Pension Managers Limited	Emmanuel Ortswen (Ag.MD/CEO)	No. 51A, Oro Ago Crescent, Garki II, Abuja.	08033812211, 09-3146526, 09-4618900-9	info@anchorpension.com www.anchorpension.com
9	IGI Pension Fund Managers Limited	Stannis Uchenna Ezeobi	8, Adeola Odeku Street, Victoria Island, Lagos	08084995466 01-6213043-47	info@igipfm.com www.igipfm.com
10	Leadway Pensure PFA Limited	Mrs. Aderonke Adedeji	121/123 Funsho Williams Street Surulere Lagos	08066438653, 01-2800800, 01-2800850	info@pensure-nigeria.com www.pensure-nigeria.com
11	Legacy Pension Managers Limited (PFA)	Misbahu Umar Yola	No. 39, Adetokunbo Ademola Crescent, Wuse II, Abuja	08022235807, 09-6738002, 09 -4613500-3, 08059580002	info@legacypension.com www.legacypension.com
12	NLPC Pension Fund Administrators Limited	Wale O. Kolawole	No. 312A, Ikorodu Road, Anthony, Lagos	08034027008, 01-2793580-2	info@nlpcpfa.com www.nlpcpfa.com
13	Oak Pensions Limited	Micheal O. Olayinka	15B, Oko Awo Street, Off Adetokunbo Ademola Street, Victoria Island, Lagos	08034035607, 01-4614075, 01-4614075	info@oakpensions.com www.oakpensions.com
14	Penman Pensions Limited		NACRDB Plaza, Link Block Independence Avenue, Central Business District, Abuja	, 09- 4618900-9, 01-2706401	info@penmanpensions.com www.penmanpension.com
15	Pensions Alliance Limited	Emenike D. Uduanu	9 th Floor UBA Building 57 Marina, Lagos	08034039191, 01-2802290 - 3	info@pensionsalliance.com www.pensionsalliance.com

Table 6.1: Pension Fund Administrators (Cont'd)

S/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
16	Premium Pension Limited	Wilson Ndidi Ideva	No. 7, Dar-Essalam Street, Off Aminu Kano Crescent, Wuse II, Abuja	08073399874, 09-4615701 - 5, 09-461 5700	info@premiumpension.com www.premiumpension.com
17	GTB-AM Pension Limited	Charles Sanni	Plot 871 Tafawa Balewa Way Opposite NICON Luxury Hotel, Area 11, Garki, Abuja	08033242553, 09-7800427, 09-7802508	info@gtbampensions.com www.gtbampensions.com
18	Sigma Pensions Limited	Umaru H. Modibbo	No. 29 Durban Street, Off Adetokunbo Ademola Crescent, Wuse II, Abuja	08033164996, 09-4613333, 09-5237787, 09-5237816	info@sigmapensions.com www.sigmapensions.com
19	Stanbic IBTC Pension Managers Limited	Dr. Ademola Sogunle	Plot 1678, Olukunle Bakare Close, Victoria Island, Lagos	08034020097, 01-2716000	pensionmanagers@stanbicibtc.com www.stanbicibtc.com
20	Trustfund Pensions Plc	Helen Da-Souza (Ag.MD/CEO)	Plot 820/821, Labour House, Central Business District, Abuja	08052090315, 08057003000, 08056000102, 08069778760, 09-6710699	info@trustfundpensions.com www.trustfundpensions.com

Table 6.2: Closed Pension Fund Administrators

S/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
1.	Chevron Nigeria Pension Plan Limited	Obafunke Alade-Adeyefa	SPG Complex (Agungi Bus Stop), Lekki/Ajah Express Way, Lagos	08035250363, 01-2600600, 01-3661828, 01-3668129	info@chevron.com/nigeria www.chevron.com/nigeria
2.	Nestle Nigeria Trust (CPFA) Limited	Adewale .A. Fakoya	22/24 Industrial Avenue, Ilupeju, Lagos	08034020175,	info@ng.nestle.com www.ng.nestle.com
3.	Nigerian Agip CPFA Limited	Chukwudi N. Illoh	No 1 Elsie Femi Pearse Street Off Adelo Odeku Street Victoria Island, Lagos	07034060851 01-2600100-9, 01-2621600-9	info@naoc.agip.it www.naoc.agip.it
4.	Progress Trust CPFA Limited	Mrs. H.T. Lawani	Iganmu House, No 1, Abebe Village Road, Iganmu, Lagos	08053184274, 01-5801340	info@progresstrustcpfa.com www.progresstrustcpfa.com
5.	Shell Nig. Closed Pension Fund Administrator Ltd	Mrs. Yemisi Ayeni	1st Floor C-Wing, Bank of Industry Building, 23 Marina, Lagos	08070362007, 08070269999, 01- 2769999	info@shellnigeria.com www.shellnigeria.com
6.	Total (E and P) Nigeria CPFA Limited	Emmanuel Essien	30 Kofo Abayomi Street Victoria Island, Lagos .	08039799842, 01 -2623720-38	info@total.com www.total.com
7.	Unico CPFA Limited	Mrs. Muyibat O. Idowu Abbas	Niger House, 1-5 Odunlami Street, Lagos	08033340592, 01-2661756; 01-7943025, 01-7410932, 01-7410928	unico@uacnplc.com www.unicocpfa.com

Table 6.3: Pension Fund Custodians

S/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
1.	Diamond Pension Fund Custodian Limited	Chinedu Osundu Ekeocha (Ag.MD/CEO)	1A Tiamiyu Savage Street, Victoria Island, Lagos	07034111256, 01-2713954, 01-2713680, 01-723161, 01-4613753	info@diamondbank.com www.diamondpfc.com
2.	First Pension Custodian Nigeria Limited	Akinwumi Fanimokun	124 Awolowo Road, Ikoyi, Lagos	08022901979, 01-2713217, 01-82692736	info@firstcustodiannigeria.com www.firstpensioncustodian.com
4.	UBA Pensions Custodian Limited	Mrs. Oluwatomi A. Soyode	Plot 22b, Idowu Taylor Street, Victoria Island, Lagos	08038077700, 01- 2718000-4	info@ubagroup.com www.ubagroup.com
5.	Zenith Pensions Custodian Limited	Nkem Oni-Egboma	1 Samuel Manuwa Crescent, Victoria Island, Lagos	08023164118, 01-2782900 - 30	enquiries@zenithcustodian.com www.zenithcustodian.com

Table 6.4: Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board of Directors	Paid –up Share Capital (N/m)	External Auditors
4.	Crusader Sterling Pension Limited	<p>Olutola O. Mobolurin Adeniyi Falade Larry O. Ademeso Akinwale Charles Adewunmi Lanre Adesanya Joseph O. Ameh Tofarati Augusto Razack Adeyemi Adeola Bennedikter C. Molokwu</p>	<p>Chairman Managing Director/CEO Director Director Director Director Director Director Independent Director</p>	<p>1,341</p> <p>Pannel Kerr Forster NACRDB Building 4th Floor Independence Way, CBD, Abuja Tel: 08034086939 08080411569</p>
5.	Fidelity Pension Managers Limited	<p>Chief Christopher Eze Amaka Andy Azike Mike Osime Maj. Gen. Mohammed Magoro (Rtd) Reginald Ihejiahi Chukwuemeka Obiagwu</p>	<p>Chairman Managing Director/CEO Director Director Director Director</p>	<p>1,576</p> <p>Company and RSA: Akintola Williams Deloitte & Touche, 235, Ikorodu Road, Ilupeju, Lagos Tel: 01-4930720-4 Retiree: D.C.C.Alaibe & Co</p>
6.	First Guarantee Pension Limited	<p>Comrade Issa Aremu Chima Akalezi Johnny Ojeaga</p>	<p>Chairman (IMC) Ag. Managing Director/CEO Member (IMC)</p>	<p>583</p> <p>Spiropoulous Adiele Okpara & Co, 2 Sunday Street Palmgrove Shomolu Lagos</p>
7.	Future Unity Glanvills Pensions Limited	<p>Ahmed A. Muazu Usman B. Suleiman Adeyinka O. Sogunle Anthony Ojeshina Chief A.O. Omisore Kins U. Ebebuike Gambo Shuaibu Oluyemi Patrick Olatunji</p>	<p>Chairman representing Unity Kapital Managing Director/CEO Vice Chairman representing Glanvills Director representing Glanvills Director representing Glanvills Director representing Unity Kapital Director representing Unity Kapital Alternate Director to Anthony Ojeshina</p>	<p>1,500</p> <p>Pannel Kerr Forster Toleye House 362, Ikorodu Road , 1A Okure Estate Mainland Lagos Tel:</p>

Table 6.4: Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board of Directors	Paid –up Share Capital (₦m)	External Auditors
8.	IEI-Anchor Pension Managers Limited	Sen. (Dr.) Jonathan Silas Zwingina Emmanuel Ortswen AbdulAzeez Abubakar Ibrahim Rufa'l S. Hanga Ifie Sekibo M. P Anthony Madojemu Okuredy Francis Okwedy Dr. Obadia Mailafiya	Chairman Ag. Managing Director/CEO Director Director Director Director Director Independent Director	2,222 Pannel Kerr Forster Tolaye House 362, Ikorodu Road , 1A Okure Estate Mainland Lagos Tel:
9.	IGI Pension Fund Managers Limited	Apostle (Dr.) Hayford Alile, OFR Stanislaus Uchenna Ezeobi Doyin Adebambo Remi Olowude, OON Gen. (Dr.) Yakubu Gowon(Rtd), GCFR Rotimi Fashola Chief Eugene Okwor	Chairman Managing Director/CEO Executive Director Director Director Director Independent Director	250 Akinola Akintunde & Co 3 Igowu Taylor Street Victoria Island Lagos Tel: (234)01- 17101339
10	Leadway Pensure PFA Limited	Lt. Gen. Garba Duba (Rtd) Mrs. Aderonke Adedeji Oye Hassan-Odukale Dr. Anandi Prakash Mittal Kofo Majekodunmi Tunde Hassan-Odukale Ike Osakwe Wole Oshin Olutayo Odunsi	Chairman Managing Director/CEO Director Director Director Director Director Director Director (Alternate)	1,422 Akintola Williams Deloitte & Touche 235, Ikorodu Road, Ilupeju, Lagos Tel: 01-4930720-4

Table 6.4: Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board of Directors	Paid –up Share Capital (₦m)	External Auditors
11	Legacy Pension Managers Limited PFA	Mahey Rasheed Rafindadi Misbahu Umar Yola Umar Sanda Mairami Ahmed Lawan Kuru Segun Fawora Lamis Dikko Mrs. Bukola Smith Muhdi Mohammed Salihu Shuaibu Makarfi Suzanne O.Iroche	Chairman Managing Director/CEO Executive Director Director Director Director Director Director Director Independent Director	735 KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4, 01-4630290-3
12	NLPC Pension Fund Administrators Limited	J. O. Emmanuel A. O. Kolawole Mrs. C. O. Oyeleye Samuel Adewole Balogun E. O. Eleramo A. A. Adeyeye Chief F. R. A. Marinho Senator O. O. Omilani El-Yakub Muhammed Rabiu S. Ayo Twins	Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Director Director Independent Director	1,460 Ajibade Durojaiye & Co (Chartered Accountants) 27 Ajayi – Aina Street Ifako-Gbagada Tel: 01-7747925, 08085526749
13	Oak Pension Limited	Dr. Awa Ibraheem Michael Olayinka Kwesi Sagoe Samuel Inyang	Chairman Managing Director/CEO Director Director	1,000 Ernst & Young 2A Bayo Kuku Street, Ikoyi Lagos Tel: 01-4630479-80

Table 6.4: Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board of Directors	Paid –up Share Capital (₦m)	External Auditors	
14	Penman Pension Limited	<p>Umaru A. Mutallab, OON Tiamiyu Ola Balogun Amb. Ibrahim Yarima Abdulahi, OON Umaru Kwairanga Abdulkadir Idris Barr. Wada A. Ibrahim Suleiman Dauda Karofi Engr. Boni C. Madubunyi Usman Bayero Nafada</p> <p>Anthony E. Nzenwata Suleyman A. Ndanusa, OON Adekunle O. Alonge</p>	<p>Chairman Ag. Managing Director/CEO Director Director Director Director Director Director Director Alternate Director to Engr. Boni C. Madubunyi Independent Director Independent Director</p>	1,873	<p>Pannel Kerr Forster Toleye House 362, Ikorodu Road , 1A Okure Estate Mainland Lagos Tel:</p>
15	Pension Alliance Limited	<p>Rilwan Bello Osagie Emenike D. Uduanu Daniel Agbor Mrs. Hamda Ambah Junaid Dikko Alphonse O. Okpor Ms. Olufunsho Olusanya Folashade Laoye</p>	<p>Chairman Managing Director/CEO Director Director Director Director Director Independent Director</p>	1,100	<p>Company PriceWaterhouseCoopers Plot 252E Muri Okunola Street , Off Ajose Adeogun Street Victoria Island Lagos Tel: 01-2711700 RSA & Retiree: KPMG Professional Services</p>
16	Premium Pension Limited	<p>Aliyu A. Dikko Wilson Ideva Hamidu B. Mohammed Kayode Akande Ahmed Almustapha Mohammed Inuwa Yahaya Mohammed Jibrin Barde Ibrahim Alhassan Babayo Idris Saeed</p>	<p>Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Director Director</p>	659	<p>PriceWaterhouseCoopers Plot 252E Muri Okunola Street , Off Ajose Adeogun Street Victoria Island Lagos Tel: 01-2711700</p>

Table 6.4: Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board of Directors	Paid –up Share Capital (Nn)	External Auditors
17	GTB-AM Pension Limited	Owelle Prince C. N. Ukachukwu Okechukwu Okorie Hon. Ben Nwankwo Princess Millicent Ukachukwu Daniel Nwokedi Chief Fabian Nwaora Okey J. Moka	Chairman Ag. Managing Director/CEO Director Director Director Director Director	1,301 KL & Co. (Nigeria) Chartered Accountants Suite 26/27E, Sabon Dale Shopping Complex Plot 526, Obafemi Awolowo Way, Jabi District Abuja
18	Stanbic IBTC Pension Managers	Atedo N A Peterside (OON) Dr. Ademola Sogunle Steve Elusope Eric Fajemisin Ahmed Dasuki Mrs. Olusola A. David-Borha Okey Nwuke Mrs. Aniola Durosinmi Etti Oladipo Ajose-Adeogun	Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Director Independent Director	1,000 KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4, 01-4630290-3
19	Sigma Pensions Limited	Rasaki Oladejo Umaru H. Modibbo Bala Muhammed Bello Chief Cletus Imasuen Adamu M. Modibbo Mrs. Titilayo T. Adebisi Mohammed A. Jalingo Dunama Stanley Balami	Chairman Managing Director/CEO Executive Director Director Director Director Director Director	965 Muhtari Dangana & Co (Chartered Accountants) 12 Bompai Road Kano Tel:

Table 6.4: Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board of Directors	Paid –up Share Capital (₦m)	External Auditors
20	TrustFund Pensions Plc	Ngozi Olejeme Helen Da-Souza Peter Esele Akinwumi Oladeji Osaretin Demuren Abdulwaheed Omar Mobolaji Oludamilola Balogun Richard Uche (Chief) Ayubba Wabba Jude Chiemeka	Chairman Ag. Managing Director/CEO Director (Representing TUC) Director (Representing NECA) Independent Director Director (Representing NSITF) Director (Representing Chapel Hill Denham) Director (Representing NSITF) Director (Representing NLC) Alternate Director to Mobolaji Oludamiliola Balogun	1,000 Ernst & Young (Chartered Accountants) 2A, Bayo Kuku Street, Ikoyi, Lagos 01-4630479-80

Table 6.5: Profile of Pension Fund Custodians

S/No	PFC Name	Board of Directors	Paid- up Share Capital (N' Million)	External Auditors	
1.	Diamond Pension Fund Custodian Limited	Chinedu Ekeocha Oladele Akinyemi Chizoma Okoli Joe Kyari Gadzama Adedoyin Salami	Ag. Managing Director/CEO Director Director Director Director	2,000.00	PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island, Lagos Tel: 01-2711700 01-2703101 – 15
2.	First Pension Custodian Nigeria Limited	Chief (Dr) Joseph O. Sanusi,CON Akinwumi Fanimokun Kunle Jinadu Urum Kalu Eke Muhammadu Ibrahim,OFR Mallam Umar Yahaya Ijeoma E. Jiodenma Adebayo O. Odeniyi	Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Independent Director	2,000.00	KPMG Professional Services 22A Gerrard Road, Ikoyi, Lagos Tel: 01-2694660-4 01-4630290-3
3.	UBA Pension Custodians Limited	Victor Odozi Mrs. Tomi Soyode Bismarck Rewane Emmanuel Nnorom Dr. (Mrs.) Vivien Elumelu Mr. Kennedy Uzoka	Chairman Managing Director/CEO Director Director Director Director	2,000.00	Akintola Williams Deloitte & Touche 235, Ikorodu Road, Illupeju, Lagos Tel: 01-4930720-4
4.	Zenith Pension Custodians Limited	Godwin Emefiele Nkem Oni-Egboma Peter Amangbo Adaora Umeoji Steve Omojafor Udom Emmanuel Prof. Grace Alele Williams	Chairman Managing Director/CEO Director Director Director Director Independent Director	2,000.00	PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island, Lagos Tel: 01-2711700 01-2703101-15

Table 6.6: Profile of Closed Pension Fund Administrators

S/No	PFC Name	Board of Directors	Paid- up Share Capital (N' Million)	Number of Branches/ Service Centres	External Auditors
1.	Chevron Nigeria Pension Plan Limited	Andrew Fawthrop Obafunke Alade-Adeyefa Ike Oguine Emmanuel O. Imafidon Ezekiel Olasupo Shadiya J. U. Uwakwe Olarenwaju Kalejaiye Kurt Reimer Samuel Samson Udokwe	Chairman Managing Director/CEO Director Director Director Director Independent Director Director		PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island, Lagos Tel: 01-2711700 01-2703101 – 15
2.	Nestle Nigeria Trust (CPFA) Limited	Marthins Woolnoogh Adewale Abiodun Fakoya Martins krugel David Chidolue Ifezulike S. O. Solesi	Chairman Managing Director/CEO Director Director Independent Director		KPMG Professional Services 22A Gerrard Road, Ikoyi, Lagos Tel: 01-2694660 - 4 01-4630290 – 3
3.	Nigerian Agip CPFA Limited	Ciro A. Pagano Chukwudi N. Illoh Engr. Naaman F. Dienye	Chairman Managing Director/CEO Director		Ernst & Young 2A Bayo Kuku Street, Ikoyi Lagos Tel: 01-4630479-80
4.	Progress Trust CPFA Limited	Nicholaas Adrianus Vervelde Mrs. H. T. Lawani C. O. Oke V. N. Onwuadiamu Anthony Anyansi Victor Famuyibo Ogochukwu Agu Jasper Hamaker Raphael Kunle Tukur	Chairman Managing Director/CEO Director Director Director Director Director Director Independent Director		PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island, Lagos Tel: 01-2711700 01-2703101 – 15

Table 6.6: Profile of Closed Pension Fund Administrators

S/No	PFC Name	Board of Directors	Paid- up Share Capital (N' Million)	Number of Branches/ Service Centres	External Auditors
5.	Shell Nig. Closed Pension Fund Administrator Ltd	Mutiu Sunmonu Osagie Okunbor Mrs. Yemisi Ayeni Mrs. Claire Ighodaro Bernard Bos Chike Onyejekwe Bode Augusto Jonathan Anolu	Chairman Alternate Chairman Managing Director/CEO Director Director Director Independent Director Director		PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island, Lagos Tel: 01-2711700 01-2703101 – 15
6.	Total (E and P) Nigeria CPFA Limited	Paul Odekina Emmanuel Essien Mrs.Chantal Bellaïrd Olalere Babasola Mrs. Edith Ofili-Okonkwo Benjamin Okorie-Agidi Chijioko Victor Ubada Michael Anwankuo Paul Bertucchi Harriet Ann Adesola	Chairman representing EPNL Managing Director/CEO Director Director Director Director representing PENGASSAN Director representing NUPENG Director Director representing EPNL Independent Director		KPMG Professional Services 22A Gerrard Road, Ikoyi, Lagos Tel: 01-2694660 - 4 01-4630290 - 3
7.	Unico CPFA Limited	Larry Ephariam Ettah Mrs. Muhibat O. Idowu Abbas Julius O. Oshomiji Abdul Akhor Bello Brabindo Oruware Ogun Abimbola Olashore Olayiwola A. Adetomiwa Olawole M. Anyinla	Chairman Managing Director/CEO Director Non Executive Director Director Director Director Independent Director		Akintola Williams Deloitte & Touche, 235, Ikorodu Road, Illupeju, Lagos Tel: 01-4930720-4

**APPENDIX 1: THREE YEAR FINANCIAL SUMMARY OF PENSION FUND
ADMINISTRATORS FOR THE PERIOD 2010 – 2012**

AICO Pension Fund Managers Limited	2012	2011	As at Jan 2011
	(N'000)	(N'000)	(N'000)
Assets			
Cash & cash equivalents	639,691	91,915	113,087
Trade and other receivables	124,562	125,832	93,037
Other Assets	14,497	1,836	7,310
Financial Instruments – Available for sale	16,561	16,771	21,276
Financial Instruments – Held to maturity Investment	-	74,086	-
Property, plant and equipment	131,972	37,324	41,755
Intangible Assets	7,568	4,584	3,774
Deferred Tax assets	182,153	198,979	206,857
Total Assets	1,117,003	551,327	487,094
Liabilities			
Trade and Other payables	45,627	40,702	36,559
Income tax payable	8,155	4,209	2,455
Interest-bearing loans and borrowings	59,882	250,054	185,086
Total Liabilities	113,664	294,965	224,100
Equity			
Issued share capital	800,000	800,000	800,000
Irredeemable preference shares	775,000	-	-
Share premium	40,365	39,200	39,200
Statutory reserves	3,611	220	-
Available for sales reserve	3,514	-	-
Convertible loan reserve	-	57,980	47,682
Retained loss	(619,152)	(641,038)	(623,888)
Total Equity	1,003,339	256,362	262,994
Total liabilities and equity	1,117,003	551,327	487,094
Statement of comprehensive income for the year ended 31 December			
Total operating income	524,615	376,173	
Impairment losses on financial investments	(3,725)	(9,504)	
Net operating income	520,890	366,668	
Total operating expenses	(469,534)	(375,925)	
Profit/(loss) before Taxation	51,357	(9,257)	
Income tax expenses	(24,232)	(7,674)	
Profit/(loss) for the year	27,125	(16,930)	
Total comprehensive income for the year, net of tax	30,639	(16,930)	
Earnings/(loss) per share	Kobo	Kobo	
Basic	3.39	(2.12)	
Dilute	0.29	(2.12)	

Apt Pension Funds Managers Limited			
	2012	2011	2010
	(N'000)	(N'000)	(N'000)
ASSETS			
Fixed Assets		5,850	18,606
Investments		2,725	2,725
Cash & Bank		875	664
Advances & prepayments		97,040	65,798
	-	106,490	87,793
LIABILITIES			
		59,077	611,369
NET ASSETS	-	47,412	-523,596
FINANCED BY:			
Share Capital		699,400	150,500
Share Premium		20,200	19,600
Accumulated Loss		-672,187	-674,076
SHAREHOLDER'S FUNDS	-	47,412	-503,976
INCOME			
Fund management & Admin fees		161,975	82,452
Others		467	26,702
	-	162,442	109,154
Less Operating expense		-160,553	-195,168
Profit/(loss) Before Tax	-	1,888	-86,014
Tax		-	-
Profit/(loss) After Tax	-	1,888	-86,014

ARM Pension Managers (PFA) Limited			
	Feb-13 (N'000)	Feb-12 (N'000)	Feb-11 (N'000)
Assets			
Property and equipment	217,632	193,514	98,347
Intangible assets	875,441	831,367	839,936
Deferred Tax Asset	-	10,385	104,424
Non current assets	<u>1,093,073</u>	<u>1,035,266</u>	<u>1,042,707</u>
Trade and other receivables	872,544	83,438	37,613
Prepayments	68,290	82,393	154,626
Investment securities	-	972,434	460,425
Cash and cash equivalents	1,378,047	662,330	465,455
Current assets	<u>2,318,881</u>	<u>1,800,595</u>	<u>1,118,119</u>
Total assets	<u>3,411,954</u>	<u>2,835,861</u>	<u>2,160,826</u>
Retirement benefit obligation	80,769	97,203	54,075
Deferred tax	5,466	-	-
Non-current liabilities	<u>86,235</u>	<u>97,203</u>	<u>54,075</u>
Other creditors and accrued expenses	367,977	349,310	291,828
Tax payable	432,784	311,888	143,533
Current liabilities	<u>800,761</u>	<u>661,198</u>	<u>435,361</u>
Total liabilities	<u>886,996</u>	<u>753,401</u>	<u>489,436</u>
Equity			
Share Capital	1,190,476	1,190,476	1,190,476
Share Premium	18,162	18,162	18,162
Statutory Reserves	309,030	178,688	104,494
Retained Profit/(Loss)	1,007,290	690,134	358,258
Total equity	<u>2,524,958</u>	<u>2,077,460</u>	<u>1,671,390</u>
Gross revenue	<u>3,018,063</u>	<u>2,268,474</u>	
Profit(loss) on ordinary activities before tax	1,430,878	946,211	
Taxation	(388,142)	(361,571)	
Profit on ordinary activities after taxation	1,042,736	584,640	
Earnings/(Loss) Per Share	88	49	

Crusader Sterling Pension Limited			
	2012	2011	2010
	(N'000)	(N'000)	(N'000)
Assets			
Cash and cash equivalents	1,392,277	983,076	332,675
Other assets	136,858	108,324	92,225
Property, plant and equipment	95,886	106,460	64,151
Intangible asset	15,885	20,436	11,568
Deferred tax asset	-	8,118	104,661
Total assets	1,640,906	1,226,414	605,280
Liabilities			
Other payables	107,359	116,778	87,390
Post employment benefits	23	-	2,106
Current tax payable	124,109	12,050	7,637
Deferred tax liability	12,335	-	-
Total liabilities	243,826	128,828	97,133
Equity			
Ordinary Share Capital	1,341,206	725,875	725,875
Preference Share Capital	-	225,166	225,166
Deposit for shares	-	401,870	-
Share premium	13,540	4,284	4,284
Statutory contingency Reserve	117,268	79,525	41,196
Revenue reserve	(74,934)	(339,134)	(488,374)
Shareholder's funds	1,397,080	1,097,586	508,147
Total liabilities and equities	1,640,906	1,226,414	605,280
Fees income	1,044,084	807,118	577,419
Interest income	168,982	47,553	24,914
Other income	1,798	1,396	11,751
	1,214,864	856,067	614,084
Administrative expenses	(768,801)	(537,765)	(408,549)
Profit on ordinary activities before taxation	446,063	318,302	205,535
Current tax expense	(123,667)	(11,673)	
Deferred tax expense	(37,743)	(38,329)	
Total comprehensive income	301,943	210,086	
Statutory reserve	(37,743)	(38,329)	
Preference dividend	-	(22,517)	
Profit attributable to owners of equity	264,200	149,240	
Basic earnings per share (EPS) kobo	22.39	28.94	

**Fidelity Pensions Managers
Limited**

	2012	2011	2010
	(N'000)	(N'000)	(N'000)
ASSETS			
Bank balances	298,423	410,810	109,821
Short term investments	4,863,467	2,321,885	799,910
Long term investments	7,220,163	5,482,655	3,955,686
Other assets	288,455	132,370	84,436
	12,670,508	8,347,720	4,949,853
LIABILITIES			
Sundry creditors and accruals	6,802	19,208	26,032
Other liabilities	211,221	222,308	-
	218,023	241,516	26,032
Contributors' fund			
Members' contribution	10,328,517	7,132,992	4,357,784
Revenue reserve	2,123,968	973,212	566,037
	12,452,485	8,106,204	4,923,821
	12,670,508	8,347,720	358,377
INCOME AND EXPENDITURE			
Total income	1,393,588	620,456	396,616
Total expenses	(242,833)	(213,281)	(105,859)
Profit/Loss for the year transferred to revenue reserve	1,150,755	407,175	290,757

First Guarantee Pension Limited	2012	2011	2010
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash and Bank	23,127	68,503	64,760
Debtors and Prepayments	574,421	134,541	139,212
Fixed assets	46,987	149,963	205,614
Intangible asset	-	-	-
Stock	94,500	-	-
Total asset	644,629	353,007	409,586
Liabilities			
Creditors and accruals	266,189	234,626	463
Bank overdraft	11,467	-	-
Taxation	11,467	-	-
	277,656	234,626	463,058
Capital and reserves			
Paid up capital	583,847	583,847	489,238
Reserves account	47,119	6,249	3,902
Loss account	(263,993)	(471,715)	(546,612)
	366,973	118,381	(53,472)
Shareholders' funds	644,629	353,007	409,586
Gross earnings	769,340	556,153	433,618
Profit/(loss) before taxation	338,428	18,777	31,212
Profit/(loss) after taxation	326,961	18,777	31,212
Statutory reserve	(40,870)	(2,347)	3,902
Profit/(loss) per share (kobo)	28	2	3

Future Unity Glanvills Pensions Limited			
	2012	2011	2010
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash & Bank Balances			331,512
Debtors and prepayments			6,307
Others			21,964
Fixed Assets			170,160
Deferred Taxation			34,360
			564,303
	-		
CURRENT LIABILITIES			
Trade and Bank balances			41,351
Other liabilities			12,602
Tax Payable			-
Creditors failing due more than one year			2,524
			56,477
	-		
NET ASSETS			507,529
	-		
CAPITAL AND RESERVES			
Share Capital			1,000,000
General Reserve			-492,175
			507,825
SHAREHOLDER'S FUNDS			507,825
	-		
Revenue			111,819
Profit/(loss) Before Tax			-62,568
Tax			-
Profit/(loss) After Tax			-62,568
	-		
Earnings/(Loss) Per Share			
Loss per share			(6)k

IGI Pensions Fund Managers Limited	2012	2011	2010
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash & Bank Balances			228
Short-term Investments			3,718
Other Assets			37,462
Fixed Assets			37,848
Total Assets			79,256
	-		
CURRENT LIABILITIES			
Sundry Creditors			4,901
Total Liabilities			4,901
	-		
CAPITAL AND RESERVES			
Share Capital			250,000
Revenue Reserve			-175,645
Accumulated deficit			
			74,355
SHAREHOLDER'S FUNDS			
	-		
PROFIT AND LOSS ACCOUNT			
Fee Income			25,597
Interest Income			5,960
Administrative expenses			-112,265
Los on Ordinary Activities before Taxation			-80,708
Taxation			-
Loss for the year			-80,708
	-		
Appropriations			
Transfer to Statutory Reserve	-		-
Loss for the year transferred to Revenue Reserve			-80,708

Leadway Pensure PFA Limited

	2012	2011	2010
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash & bank balances	37,322	20,361	6,382
Placement with financial institutions	1,091,507	641,922	231,136
Treasury bills	-	94,348	-
Equity securities	86	1,372	33,682
Other assets	706,248	402,530	276,106
Intangible assets	11,380	2,237	9,102
Property plant and equipment	147,292	70,945	46,630
Total assets	1,993,835	1,233,716	603,038
LIABILITIES			
Creditors and accrued expenses	156,938	114,262	120,392
Tax Payable	276,268	96,070	12,526
Deferred Taxation	5,529	-	-
Total liabilities	438,735	210,332	132,918
Equity			
Share Capital	1,589,382	1,589,381	1,422,715
Share premium	33,333	33,333	-
Statutory Reserve	153,781	87,316	43,157
Retained earnings	(221,396)	(686,647)	(995,751)
Total equity	1,555,100	1,023,384	470,120
Total liabilities and equity	1,993,835	1,233,716	603,038
Profit and Loss Account			
Gross Earnings	1,765,427	1,273,630	967,327
Profit/(loss) Before Tax	727,206	443,322	265,703
Profit/(loss) After Tax	531,716	353,263	253,177
Earnings (loss)per share - kobo		12.3	8.9

Legacy Pension Managers PFA Limited			
	2012	2011	2010
	(N'000)	(N'000)	(N'000)
BALANCE SHEET			
ASSETS			
Property and equipment	112,499	55,560	47,196
Intangible assets	27,827	20,167	1,190
Differed tax assets	2,553	23,155	128,967
Trade and other receivables	453,979	276,644	246,068
Prepayments	42,994	55,181	39,854
Cash and cash equivalent	1,102,431	696,115	181,953
Total assets	1,742,283	1,126,822	645,228
LIABILITIES			
Taxation payable	173,697	39,560	12,864
Trade and other payables	111,168	110,690	87,410
Provisions	35,368	25,345	14,494
Other liabilities	196	177	181
Employee benefits	65,542	-	-
Deferred tax liability	-	-	-
Deposit for shares	70,786	204,860	218,108
Total liabilities	456,757	380,632	333,057
Net assets	1,285,526	746,190	312,171
CAPITAL AND RESERVES			
Share Capital	735,096	566,681	463,595
Share Premium	371,690	286,059	202,462
Transfer to Statutory Reserves	102,075	58,767	24,008
Retained earnings (accumulated losses)	76,664	(165,317)	(377,894)
Shareholder's funds	1,285,525	746,190	312,171
Pension funds under management	114,228,968	90,298,712	75,058,240
Gross Revenue	1,253,119	983,432	723,458
Profit/(loss) on ordinary activities before taxation	522,337	423,104	241,991
Taxation	(175,871)	(145,030)	(88,295)
Profit/(loss) on ordinary activities after taxation	346,466	278,074	153,696
Earnings/(Loss) Per Share	0.47	0.49	0.33

NLPC Pension Fund Administrators Limited			
	2012	2011	2010
	(N'000)	(N'000)	(N'000)
BALANCE SHEET			
ASSETS			
Property, plant and equipment	95,771	98,062	51,973
Intangible assets	14,289	-	-
Financial assets	977,129	92,832	80,410
Net current assets	142,184	144,588	108,363
		360,350	248,555
CAPITAL AND RESERVES			
Paid up share capital	1,460,216	880,000	880,000
Share premium	19,561	-	-
Statutory reserve	58,334	21,569	9,344
General reserve	(308,738)	(566,087)	(648,390)
	1,229,373	335,482	240,745
Turnover and profit			
Total income	1,228,676	888,449	696,849
Profit/(loss) before Tax	307,246	112,988	47,279
Taxation	(17,199)	(15,180)	(2,550)
Profit/(loss) after taxation	294,113	97,807	49,829
Basic earnings/(loss) per N1 ordinary share	20.14	11.11	5.66
Net assets per N1 ordinary share	84.19	38.12	27.36

OAK Pensions Limited	2012	2011	2010
	(N'000)	(N'000)	(N'000)
BALANCE SHEET			
ASSETS			
Cash & Bank Balances		1,637,667	4,376,352
Investments		2,232,000	62,484,160
Receivables		22,404,266	84,995,730
Fixed Assets		131,917,277	78,875,067
Deferred Taxation		93,538,281	93,538,281
		251,729,491	324,269,590
		-	
CURRENT LIABILITIES		-87,262,915	-91,490,594
NET ASSETS		164,466,576	232,778,996
		-	
CAPITAL AND RESERVES			
Share Capital	-	500,000,000	500,000,000
Share Premium	-	200,000,000	200,000,000
Revenue Losses	-	-535,533,424	-467,221,004
		164,466,576	232,778,996
SHAREHOLDER'S FUNDS		-	
Operating Income		118,523,586	278,088,284
Profit/(loss) For the year		-68,312,420	20,508,785

Penman Pensions Limited	2012	2011	2010
	(N'000)	(N'000)	(N'000)
BALANCE SHEET			
ASSETS			
Cash and bank balances	42,407	1,235	26,748
Investments	1,030,000	19,900	-
Debtors and prepayments	56,810	90,097	54,162
Property, plant and equipment	29,323	11,842	7,638
Intangible assets	19,789	-	-
	1,178,329	123,074	88,548
CURRENT LIABILITIES			
Trade and Other Creditors	4,700	13,972	16,421
Other liabilities	82,850	89,882	53,615
Taxation	4,345	409	182
Deposit for Shares	-	-	-
	91,903	104,263	70,218
Long Term Liabilities			
Creditors falling due more than one year	12,119	-	-
Net assets	1,074,307	18,811	18,330
Capital and reserves			
Share capital	1,638,431	605,841	605,841
Share premium	63,659	63,659	63,659
Statutory reserve	2,970	1,812	1,667
General reserve	(630,753)	(652,501)	(652,837)
Total shareholders equity	1,074,307	18,813	18,330
Revenue	188,452	117,127	168,381
Profit/(loss) before taxation	13,047	710	5,737
Taxation	-	-	182
Profit/(loss) after taxation	13,047	710	5,555
Profit/(loss) per share	0	1	1

Pensions Alliance Limited			
	2012	2011	2010
	(N'000)	(N'000)	(N'000)
BALANCE SHEET			
ASSETS			
Cash and bank balances	920,078	534,186	149,453
Other assets	579,570	434,517	270,173
Deferred tax asset	-	17,634	87,586
Intangible assets	3,889	6,125	5,142
Property and equipment	168,170	173,690	93,636
	1,671,707	1,166,152	605,990
LIABILITIES			
Current income tax liability	114,203	30,928	11,006
Deferred income tax liability	15,696	-	-
Other liabilities	148,646	69,445	122,768
Deposit for Shares	-	351,000	-
	278,545	451,373	133,774
Net Assets	1,393,162	714,779	472,216
CAPITAL AND RESERVES			
Share Capital	1,100,000	800,000	800,000
Share premium	51,000	-	-
Retained earnings	144,410	(142,050)	(354,292)
Statutory reserve	97,752	56,829	26,508
Shareholder's Funds	1,393,162	714,779	472,216
Total operating income	1,515,813	1,070,233	1,149,615
Total operating expense	(1,053,207)	(732,075)	(927,292)
Profit/(loss) before taxation	462,606	338,158	222,323
Taxation	(135,223)	(95,595)	(71,369)
Profit/(loss) after taxation	327,383	242,563	150,954
Earnings/(Loss) per share (kobo)	31	30	19

Premium Pension Limited	2012	2011	2010
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash and cash equivalents	1,261,730	361,325	634,339
Prepayments	129,983	83,223	79,591
Other assets	627,455	341,374	217,238
Property and equipment	1,411,110	1,247,913	101,523
Intangible assets	5,218	10,802	15,887
Total assets	3,435,496	2,044,637	1,048,578
LIABILITIES			
Other liabilities	533,875	319,458	127,331
Retirement benefit obligations	7,678	-	5,564
Current tax liabilities	601,627	327,158	134,461
Deferred tax liabilities	155,979	10,078	20,099
Interest bearing loans and borrowings	-	1,465	3,585
Total liabilities	1,299,159	748,159	291,040
Equity			
Share capital	657,126	597,387	597,387
Share premium	97,161	156,900	156,900
Retained earnings	1,109,812	395,373	(66,751)
Other components of equity	272,238	146,818	70,002
Total equity attributable to equity holders of the company	2,136,337	1,296,487	757,538
Total liabilities and equity	3,435,496	2,044,637	1,048,578
Profit and Loss Account			
Income		2,172,073	1,536,673
Operating Expenses		-1,235,253	-1,047,205
		936,820	489,468
Taxation		-307,245	-183,446
Profit/(loss) After Tax		629,575	306,022
Earnings Per Share		105K	51K

Sigma Pensions Limited	2012	2011	2010
	(N'000)	(N'000)	(N'000)
Assets			
Cash and cash equivalent	440,029	269,305	702,171
Loans and receivables	277,962	189,940	146,957
Other assets	487,444	479,381	292,843
Deferred tax asset	2,452	-	34,202
Statutory reserve investments	211,678	134,515	76,782
Property, plant and equipment	492,715	409,806	118,071
Intangible asset	173,635	125,724	57,179
Total Assets	2,085,915	1,608,671	1,428,205
Liabilities	308,929	179,007	478,282
CAPITAL AND RESERVES			
Issued share capital	984,540	965,313	895,000
Share Premium	77,511	75,313	5,000
Statutory reserves	243,623	180,584	122,944
Treasury shares	(34,072)	(10,106)	(21,141)
Retained earnings/(accumulated loss)	505,385	218,561	(51,879)
Total shareholders' equity	1,776,987	1,429,665	949,923
Total shareholders' liabilities and equity	2,085,916	1,608,672	1,428,205
Revenue			
Fund management and admin fees	2,155,137	1,641,926	1,311,198
Others	75,464	56,381	36,223
Less operating expenses	(1,422,292)	(1,073,827)	(841,717)
Profit/(loss) before taxation	808,308	624,480	505,704
Information technology development levy	(8,083)	(6,245)	(5,057)
Taxation	(295,914)	(157,111)	(125,475)
Profit/(loss) after taxation	504,311	461,124	375,172
Earnings per share (kobo) – Basic/Diluted)	0.51	0.48	0.39

Stanbic IBTC Pension Manager Limited			
	2012	2011	2010
	(N'000,000)	(N'000,000)	(N'000,000)
BALANCE SHEET			
ASSETS			
Cash and cash equivalents	3,823	3,022	3,797
Financial assets	7,258	4,651	1,913
Trade receivables	1,056	789	627
Prepayments	364	280	454
Long-term investments	-	-	-
Property and equipment	385	340	314
Intangible assets	-	2	14
Total assets	12,887	9,194	7,119
LIABILITIES			
Trade and Other Payables	3,025	1,550	1,361
Tax	1,926	1,433	1,073
Deferred tax	75	71	59
TOTAL LIABILITIES	5,026	3,054	2,493
NET ASSETS	7,861	6,140	4,625
CAPITAL AND RESERVES			
Share Capital	1,000	1,000	1,000
Reserves	6,861	5,140	3,625
SHAREHOLDER'S FUNDS	7,861	6,140	4,625
Statement of Comprehensive income			
Gross Income	11,751	8,191	6,574
Operating Expenses	(5,448)	(3,468)	(3,300)
Profit before tax	6,303	4,723	3,274
Tax	(1,919)	(1,404)	(1,050)
Profit After Tax	4,384	3,319	2,224
Net changes in fair value of available for sale financial assets	245	(3,59)	
Total comprehensive income	4,629	2,960	
Appropriation			
Transfer to statutory reserve	548	415	278
Transfer to retained earnings	3,836	2,904	1,946
	4,384	3,319	2,224
Earnings Per Share (basic)	438k	332k	222k
Earnings Per Share (adjusted)	438k	332k	222k
Dividend per share	380k	291k	

Trustfund Pensions PLC	2012	2011	2010
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash and bank balances	89,557	8,287	28,963
Fixed term deposit	-	304,734	296,131
Equity securities	-	11,709	278,684
Loans and receivables	47,722	220,514	304,851
Debt security	392,116	350,520	350,112
Other assets	996,907	787,003	328,583
Deferred tax	12,457	12,457	-
Intangible assets	56,724	46,787	44,407
Property, plant and equipment	334,255	237,388	279,712
Investment property	1,854,461	912,950	901,850
Total assets	3,784,199	2,892,349	2,813,293
LIABILITIES			
Payables and accrued expenses	578,655	445,986	621,829
Provisions	57,100	50,353	17,990
Tax payable	427,310	343,485	338,420
Deferred tax	100,433	58,636	53,918
Total liabilities	1,163,498	898,460	1,032,157
NET ASSETS	2,620,701	1,993,889	1,781,136
CAPITAL AND RESERVE			
Share capital	1,000,000	1,000,000	1,000,000
Revenue reserve	1,289,659	749,703	547,792
Statutory reserve	331,042	232,477	189,347
Other reserves	-	11,709	43,997
Shareholder's Funds	2,620,701	1,993,889	1,781,136
Profit and Loss Account			
Gross earnings	3,308,584	2,170,377	1,735,191
Profit/(loss) before taxation	1,037,999	54,691	311,331
Profit/(loss) after taxation	788,521	345,041	201,384
Earnings per share - kobo	0.79	0.35	0.27