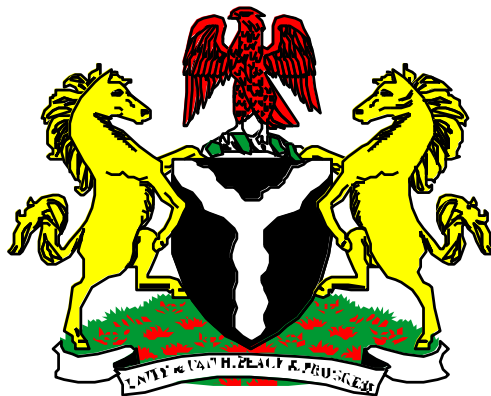


NATIONAL PENSION COMMISSION (PenCom)



2014 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
Director General



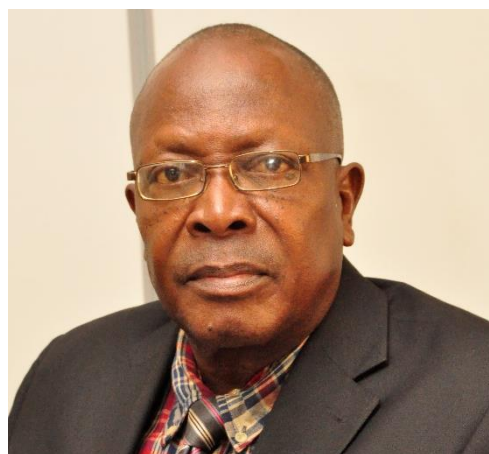
Ebenezer Toby
Commissioner, Administration



Adesoji Olaoba-Efuntayo
Commissioner, Finance &
Investment



Prof. Mohammed A. Kaoje
Commissioner, Inspectorate

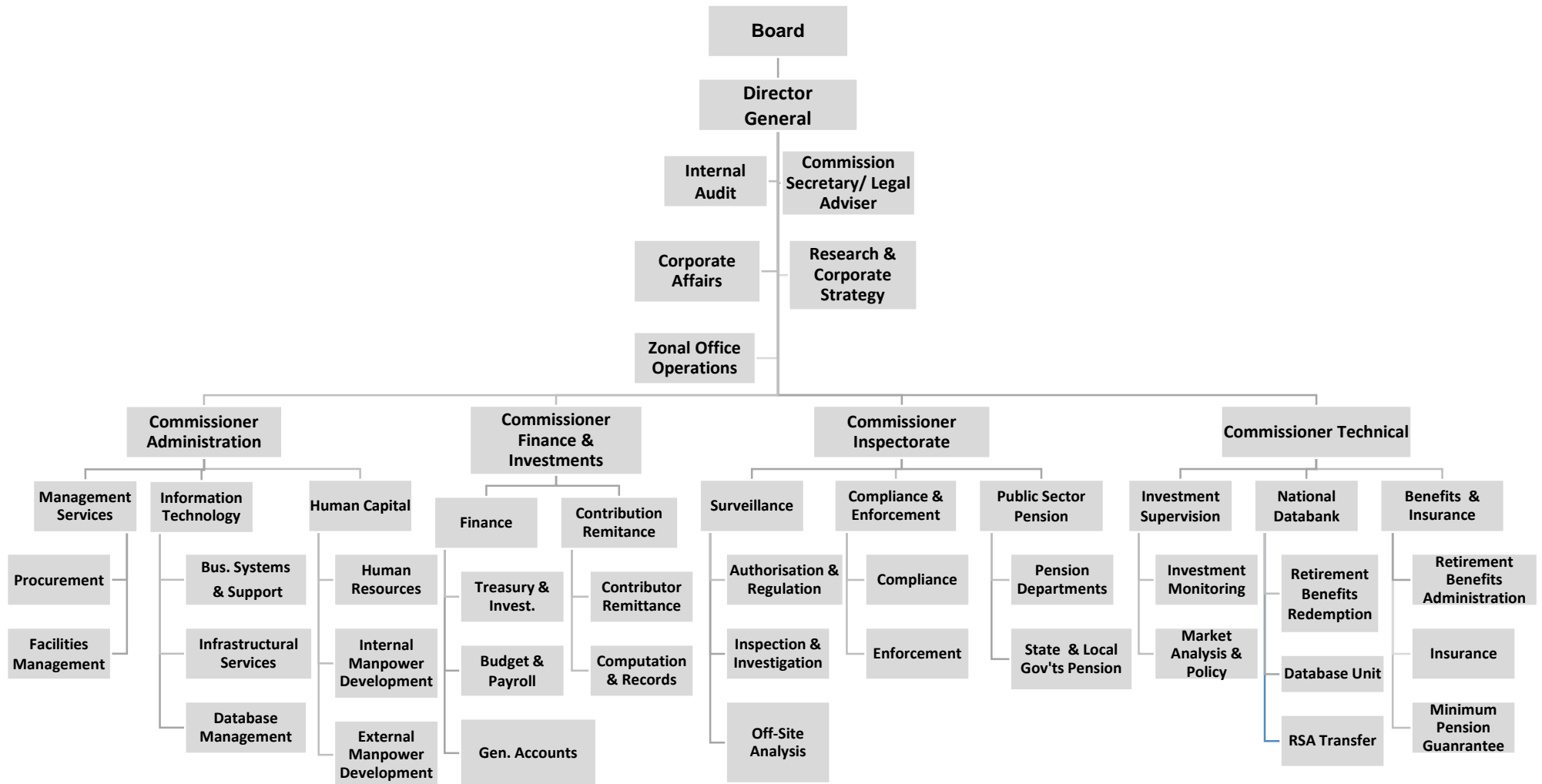


Reuben G. Omotowa
Commissioner, Technical

MANAGEMENT CONSULTATIVE COMMITTEE MEMBERS

| | |
|----------------------------|---|
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| Professor Mohammed Kaoje | Commissioner Inspectorate |
| Abubakar, FSA | |
| Mr. Rueben Gilbert Omotowa | Commissioner Technical |
| Barrister (Prince) Adesoji | Commissioner Finance & Investment |
| Olaoba-Efuntayo | |
| Mr. Ebeneze Fobi | Commissioner Administration |
| 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. Emeka Onuora | Head (Communication Unit) |
| Mr. Muhammad S. Muhammad | Commission Secretary/Legal Adviser |

ORGANISATION CHART



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ABBREVIATIONS AND ACRONYMS

| | |
|----------|---|
| AES | Approved Existing Scheme |
| AFIS | Automatic Fingerprint and Identification System |
| ASI | All Share Index |
| BOI | Board of Inquiry |
| 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 Nigeria |
| FICAN | Finance Correspondents Association of Nigeria |
| FTSE | Financial Times Stock Exchange |
| GDP | Gross Domestic Product |
| IFC | International Finance Corporate |
| IFRS | International Financial Reporting Standard |
| IOPS | International Organization of Pension Supervisors |
| ISSA | International Social Security Association |
| LR | Liquidity Ratio |
| MCC | Management Consultative Committee |
| MDA | Ministries, Departments and Agencies |
| MPG | Minimum Pension Guarantee |
| MPR | Monetary Policy Rate |
| NAHCO | Nigerian Aviation Handling Company |
| NAICOM | National Insurance Commission |
| NECA | Nigeria Employers Consultative Association |
| NIBOR | Nigerian Interbank Offer Rate |
| NOK | Next of Kin |
| NPF | Nigerian Police Force Pensions Limited |
| NSE | Nigeria Stock Exchange |
| NSITF | National Social Insurance Trust Fund |
| NUPEMCO | Nigerian Universities Pension Management Company |
| PenCom | National Pension Commission |
| PenRSS | Pension Returns Rendition System |
| PFA | Pension Fund Administrators |
| PFC | Pension Fund Custodian |
| PRA 2004 | Pension Reform Act 2004 |

| | |
|--------|---|
| PTAD | Pension Transitional Arrangement Department |
| RBBRFA | Retirement Benefit Bond Redemption Fund Account |
| RMAS | Risk Management and Analysis System |
| ROI | Return on Investment |
| RSA | Retirement savings Account |
| SPV | Special Purpose Vehicle |
| TRIPP | Transparency Responsiveness Integrity Proactivity Professionalism |
| UPDC | UACN Property Development Company |
| WARR | Weighted Average Rate of Return |

PART ONE

MANDATE AND CORE VALUES

1.1 ORGANIZATIONAL MANDATE

Section 14(1) of the Pension Reform Act (PRA) 2004 provides for the establishment of PenCom to “*regulate, supervise and ensure the effective administration of pension matters in Nigeria*”.

1.2 CORE VALUES

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

- **Transparency:** PenCom regulates and supervises a transparent and accountable pension industry. In this regard, its employees are required to maintain the highest ethical standards as well as create an atmosphere of mutual trust and confidence through openness and clarity in the discharge of their responsibilities.
- **Responsiveness:** The requirement for promptness and efficiency as well as the culture of timeliness and accuracy in service delivery is a cardinal quality of staff of PenCom.
- **Integrity:** Staff are expected to attain the highest level of integrity in both their personal and official engagements. Commitment to honesty and dedication are virtues that are a hallmark of all staff of PenCom.
- **Proactivity:** In the commitment to the creation of an anticipatory and change-oriented organisation, PenCom staff are required to possess the ability to act in advance of a future situation, rather than reacting to it.
- **Professionalism:** Staff of PenCom are expected to exhibit a high degree of professionalism in the discharge of their responsibilities. As such, staff must be competent, accountable, respectful, creative, and above all, team players.

1.3 PenCom CHARTER

PenCom adopts a tailored approach in meeting the needs of each class of its stakeholders as highlighted below:

| Stakeholder | Promise |
|-------------------|--|
| 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 ▪ Ensuring compliance of employers ▪ Ensuring effective service delivery by operators |
| Government | <ul style="list-style-type: none"> ▪ A safe and sound industry ▪ Positive contribution to economic development ▪ Contribution to social safety net |
| PenCom Staff | <ul style="list-style-type: none"> ▪ Recognition and reward for good performance ▪ Provision of a learning environment, opportunities for career advancement/development ▪ Promotion of team spirit and provision of conducive working environment ▪ Provision of effective communication channel |
| Public | <ul style="list-style-type: none"> ▪ Effective communication and enlightenment ▪ Responsible corporate citizen ▪ Environment friendly organization |
| Employers | <ul style="list-style-type: none"> ▪ Pro-activity and responsiveness ▪ Ensure compliance ▪ Safety of pension assets and fair returns on investment ▪ Effective supervision |
| Pension Operators | <p><i>PFA's, CPFAs & PFCs</i></p> <ul style="list-style-type: none"> ▪ Effective and efficient regulation and supervision ▪ Prompt regulatory and supervisory intervention on all operators' issues ▪ Effective capacity development for the industry <p><i>National Insurance Commission and Pension Transitional Arrangement Department (PTAD)</i></p> <ul style="list-style-type: none"> ▪ Continuous collaboration with NAICOM for a flourishing life insurance business ▪ Effective supervision (PTAD) ▪ Technical support for both PTAD and insurance companies in the implementation of the CPS |

PART TWO

CORPORATE ACTIVITIES

2.1 SUPERVISORY AND REGULATORY ACTIVITIES OF THE COMMISSION

The regulatory and supervisory activities of National Pension Commission continued to focus on the provision of the Pension Reform Act 2004 in five broad areas, namely: Issuance of Guidelines and Regulations; Surveillance of the Pension Industry; Compliance and Enforcement Activities; Resolution Activities; Supervision of Investment of Pension Assets; and Databank on Pension Matters. With the President's signing of the Pension Reform Act 2014 (the Act) into Law on 1 July 2014, the Act repeals the Pension Reform Act No. 2, 2004, and continues to govern and regulate the administration of the uniform Contributory Pension Scheme for both the Public and Private Sectors in Nigeria.

2.1.1 Issuance of Guidelines, Circulars and Regulations

In accordance with the provisions of the Pension Reform Act 2004, operations of the Pension Industry witnessed some adjustments to comply with the Pension Reform Act 2014, the Commission within the period under review, issued reminders on Circulars, additional new Circulars and Frameworks which includes:

- i. Circular on Using Outsourced Staff to Perform Pension Administration and Management as well as Custodial Functions by Pension Fund Operators;
- ii. Circular on Payment of Additional Voluntary Contributions into Retirement Savings Accounts.
- iii. Guidelines for the Administration of State Funds. The Commission's Regulation on the Investment of Pension Fund Assets allows only States that have fully implemented the Contributory Pension Scheme (CPS) to access pension funds for the purpose of infrastructural development.
- iv. Guidelines for Employer's Code Request by PFAs was released requiring employers to be issued with unique employer codes prior the opening of Retirement Savings Account (RSA) by their employees. The employees' RSA Personal Identification Numbers (PINs) are linked to their respective employer codes in PenCom's database and are to be adopted only within the Pension Industry.

2.1.2 Surveillance of the Pension Industry

The surveillance of pension operators involved both on-site and off-site examinations.

a) On-Site and Special Examinations of Licensed Operators

In keeping with the Commission's powers under Section 92 (1) of the Pension Reform Act 2014, to supervise and examine licensed Pension Operators, the Commission conducted routine examinations of all the operators in the year. In addition, special examinations were carried out on 3 PFAs.

b) Other Surveillance Issues

i) Licensing Activities

During the year, the Commission granted approval for the Nigeria Police Force Pensions Limited (NPF Pensions Limited) to carry out the business of a Pension Fund Administrator (PFA). The NPF Pension Limited is to exclusively manage and administer the RSAs of the Police Force personnel and would be regulated and supervised in line with the provisions of the Pension Reform Act, 2014. It is expected to operate within the guidelines, regulations, circulars and frameworks issued by the Commission. Accordingly, the Commission issued an operational framework that guided the transfer of the pension assets of police contributors that have opted to be registered with NPF PFA from their erstwhile PFAs.

In the course of the year, the Commission received an application for a PFA license from the Nigerian Universities Pension Management Company Limited (NUPEMCO). The application is still being scrutinized to ensure that it meets all the requirements that were spelt out in Section 60(1) of Pension Reform Act 2014 for the issuance of a PFA license.

ii) Update on Offsite Activities

Risk Management Analysis System (RMAS)

The Commission switched from Pension Returns Rendition System (PenRRS) platform to RMAS at the end of the third quarter of 2014. Consequently, PenRRS was decommissioned, as RMAS became the platform to receive returns from all the licensed pension operators.

Risk Management Reports

A review of the risk management reports received from pension operators revealed that some operators were faced with operational risks associated with receipt of pension contributions that were not accompanied by appropriate schedules; litigations; portfolio investment concentration; and non-funding of RSAs by employers. The affected operators were advised accordingly to further strengthen their mitigating measures to avert the identified risks.

Corporate Governance Reports

An examination of the corporate governance reports received from licensed pension operators indicated some violations of the Code of Corporate Governance in such areas as: non-submission of evaluation of the Performance of the Board; Board Committees and Individual Directors and inadequate attendance by Board members to both Board and Board Committee meetings. Following these discoveries, the Commission had appropriately advised the concerned operators through letters, which were effectively followed up to ensure compliance.

2.1.3 Compliance and Enforcement Activities

During the year under review, the Commission carried out some measures to ensure compliance within the provisions of the Pension Reform Act 2014. The strategies employed included collaboration with key stakeholders, issuance of compliance certificate to companies that fully complied with the provisions of the Pension Reform Act, on-site inspection of employers and the application of sanctions on erring employers.

a) Issuance of Compliance Certificate

The Commission received 2,730 applications for issuance of compliance certificate, out of which 2,177 certificates were issued while 553 were declined due to non-remittance of pension contributions and provisions of Group Life Insurance Policy for staff of the concerned employers.

b) Recovery of Outstanding Pension Contributions and penalty from defaulting employers

The Commission retained the services of Recovery Agents to follow-up and conclude the recovery of outstanding pension contributions with penalty from defaulting employers. Following the issuance of demand notices to defaulting employers whose liabilities had been established by the consultants, the sum of ₦2,790,939,321.31 representing principal contributions (₦1,368,304,516.18) and

penalty (N1,422,633,805.13) were recovered. This brought the total recoveries made by RAs to date to N6,273,152,415.28. In addition, 243 employers that failed to remit outstanding pension contributions and penalty as established by the consultants were prosecuted for violating the provisions of the PRA 2014.

c) Public Awareness/Interactive Session

As part of efforts to increase compliance with the provisions of the PRA 2004, the Commission conducted a one-day interactive session on issuance of Compliance Certificates for Contractors December, 2014.

2.1.4 Resolution Activities

First Guarantee Pension Managers Limited remained under the regulatory intervention of the Commission following the appointment of an Interim Management Committee (IMC) to superintend over the affairs of the PFA in August, 2013. The Commission is awaiting the resolution of the issues that led to the intervention amongst the parties.

In addition, several investigative activities were undertaken by the Commission on some complaints made by Retirement Savings Account (RSA) holders mostly on issues that related to benefits computation and payments.

The Commission reviewed the Actuarial Valuation Reports of twelve (12) defined benefit schemes for the financial year ended 31 December, 2013. The review indicated that some of the schemes were under funded. However, the Commission requested the concerned Sponsors of the Schemes to come up with funding arrangements towards defraying the identified deficit.

2.1.5 Supervision of Investment of Pension Assets

An analysis of the compliance reports received from the operators during the year revealed a number of issues as follows: non-compliance with investment limits by some PFAs; un-credited pension contributions; delay in the payment of retirement benefits to retirees; receipt of pension contributions without appropriate schedules; huge backlog of unresolved customers' complaints; failure to fill vacant top management positions; failure to renew Group Life Insurance Policy; and non-implementation of Disaster Recovery Plans. Accordingly, the Commission advised the affected operators on corrective actions and has been monitoring their responses with a view to resolving the issues.

2.1.6 Sanctions Imposed on operators

The Commission imposed monetary sanctions on seventeen (17) PFAs who engaged in multiple registration of ex-staff of Power Holding Company of Nigeria (PHCN) by manipulating fields on the registration form. The sum of ₦8,600,000 was received from Fifteen (15) PFAs in this regard. In addition, the Commission received monetary penalties of ₦2,010,000.00 (Two Million and Ten Thousand Naira Only) from 3 operators for late/non-rendition of returns during the year.

2.2 IMPLEMENTATION OF THE CONTRIBUTORY PENSION SCHEME BY STATE GOVERNMENTS

In the course of the year, 4 additional States, Ondo, Anambra, Enugu and Gombe States enacted their laws on the Contributory Pension Scheme (CPS). This brought to 26 the number of States that have enacted their laws on the CPS. Ten (10) States are currently at the bill stage of implementation.

As at 31 December, 2014, out of the 26 States that had commenced implementation of the CPS, six (6) States had commenced funding of their Retirement Benefits Bond Redemption Fund Accounts (RBBRFA).

2.3 PENCOM/PENSION OPERATORS CONSULTATIVE FORUM

The Commission organized a total of 4 Operational Consultative Forum with operators during the year under review. The Forum serves as a platform for the pension industry to discuss developments as well as agree solutions to identified challenges.

2.4 MEMBERSHIP OF PROFESSIONAL ORGANIZATIONS

The Commission's membership of two international professional organizations was maintained during the year. The Commission leveraged the expertise and experiences of the International Organization of Pension Supervisors (IOPS) and the International Social Security Association (ISSA) to achieve its mandate. The Commission participated in its annual meeting which held in.....

2.4.1 International Social Security Association

The International Social Security Association (ISSA) continued to promote excellence in social security administration through professional guidelines, expert knowledge, services and support to enable its members to develop global dynamic social security systems and policy.

The fact that social security issues represent long term and complex challenges for administrations, different innovative steps had been taken by the organization to address the challenges including redesigning pensions systems to ensure adequate coverage for a diverse working population including the informal sector.

2.4.2 International Organization of Pension Supervisors

The International Organisation of Pension Supervisors (IOPS) maintained its role as the platform for networking among its members and regulatory communities continued to ensure sustainable pension systems in member state through its activities.

The IOPS organized a global forum in the year under review with the theme *“Improving the Role of Savings for Retirement”*. During the event, several issues were addressed, such as the major opportunities and challenges for the development of more efficient and inclusive private pension systems in Africa, the tax and financial incentives for saving in complementary private pensions, the role of pension funds in long-term investment financing and capital markets development in Africa, the supervisory challenges for creating target retirement income in private pension systems, and the policies and regulatory approaches to pension funds’ fees and charges. The issues discussed were part of the ongoing initiatives of the new strategic direction of the Commission.

PART THREE

THE PENSION INDUSTRY

3.1 The Operating Environment

3.1.1 Macroeconomic Developments

The Pension Industry operated in an environment of improved macroeconomic performance in 2014 as the real growth rate of GDP marginally increased from 5.49 percent in 2013 to 6.22 percent in 2014. This represented an increase of 0.73 percent. The agricultural sector accounted for the largest contribution to the marginal increase in economic activities at 22.90 percent. This is against the 10.44 contribution of the oil sector to the growth of the economy during the period under review. The rate of inflation was 8.00 percent in 2014, which was same value recorded in 2013. This could be explained by the relative stability of food prices.

3.1.2 Developments in the Stock Market

The performance of the Nigerian stock market was relatively not impressive in 2014 as revealed by some indicators in the market. For example, the market capitalization of listed equities declined by 13.15 percent from ₦13.23 trillion in 2013 to ₦11.49 trillion in 2014. Similarly, the NSE All Share Index (ASI) declined by 6,627.04 from 41,329.19 recorded in 2013 to 34,657.15 in 2014, representing a decrease of 16.14 percent. However, total volume of equities traded increased by 1.93 billion from 106.54 billion obtained in 2013 to 108.47 billion in 2014.

The Stock Market decline could be explained by a combination of factors which include: fall in crude oil prices resulting in the eventual devaluation of the Naira by 8 percent; the impact of CBN's monetary policy changes introduced at various points throughout the year; declining national foreign reserves; festering insurgency in the nation; and uncertainty around the upcoming 2015 elections. The modicum of uncertainty that prevailed in the Nigerian capital Market operating environment throughout 2014 caused investors to increasingly adopt a 'flight to safety' strategy. This led to foreign investors withdrawing their investments from the stock market.

The Nigerian Stock Exchange (NSE) witnessed 6 new equity listings in 2014 with two (2) on the Main Board, one (1) on the Alternative Securities Market (AseM). The remaining three followed the admission of Exchange Traded Funds with the admission of the Vetiva Griffin 30 (VG30) exchange traded fund (ETF) to the Main Board. The VG30 ETF is an open-ended fund designed to track the performance of companies that form the NSE 30 Index. Similarly, in November 2014, the NSE

admitted the Lotus Halal Equity ETF designed to track the performance of the NSE Lotus Islamic Index. In December 2014, the Stanbic IBTC ETF 30 was admitted and as well tracks and delivers returns based on the NSE 30 Index.

In an effort to continuously ensure sound corporate governance in the market, the NSE in partnership with the Convention on Business Integrity (CBI), launched the Corporate Governance Rating System (CGRS) in November 2014. The NSE adopted a holistic multi-stakeholder approach and a diverse set of information collection and verification processes designed to rate companies listed on the Exchange based on their corporate governance practices. It was anticipated that this would improve the overall perception of and trust in Nigeria's capital market. Participation by listed companies is expected to become mandatory in 2015. The NSE National Council would take the lead by completing the required CGRS company directors' assessment.

3.1.3 Developments in the Bond Market

Activities in the Nigerian bonds market declined in 2014 as bond market capitalization reduced by ~~₦~~0.47 trillion from ~~₦~~5.85 trillion in 2013 to ~~₦~~5.38 trillion in 2014, representing a decrease of 8.03 percent. Indeed, the number of listed bonds actually declined from 55 in 2013 to 52 in 2014 despite issuance of 5 new state and municipal bonds, 3 corporate bonds, and 2 Federal Government Bonds.

At the Over The Counter market (OTC), the value of cash transactions for government bonds decreased by 19.81 percent from ~~₦~~8.91 trillion in 2013 to ~~₦~~7.14 trillion in 2014. The decline could be explained by factors, which include: the Central Bank of Nigeria's move to increase the Cash Reserve Ratio (CRR) on public sector funds from 50% to 75% (which was done to mitigate the economic impact of declining oil revenues); the drawdown of reserves; depletion of the excess crude account; falling foreign portfolio investment inflows; the widening gap between CBN and bureau de change exchange rates; and the increase of CRR on private sector funds from 12% to 15% as a way of managing excess liquidity in the interbank market.

3.1.4 Developments in the Money Market

The stance of monetary policy in 2014 was largely restrictive as the Central Bank of Nigeria (CBN) reviewed Monetary Policy Rate (MPR) upwards from 12 percent in 2013 to 13 percent in 2014. Similarly, the Cash Reserve Ratio (CRR) on private sector deposit was increased by 5 percent from 15% in 2013 to 20% in 2014, while the public sector CRR was maintained at 75%.

As a consequence of the tight monetary policy stance of the CBN, all rates on deposits of various maturities rose from a range of 2.48 – 7.92 percent in 2013 to a range of 3.46 – 9.51 percent as at December 2014. At the interbank funds segment, the weighted average inter-bank call rate, increased by 13.28 per cent from 11.02 per cent recorded in 2013 to 24.30 per cent in 2014.

3.1.5 Developments in the Insurance Industry

The insurance industry advanced in its effort to further strengthen the industry in 2014. The Commission set up an internal committee to drive its 3 years insurance transformation agenda. The three-year agenda was proposed to triple the size of the insurance industry with the expectation that in the next three years, the gross written premium of the industry will rise from 300 billion to one trillion. The number of insurance policy holders, is expected to increase from the current three (3) million to ten (10) million in the next three years. Also, the number of employees in the industry is expected to increase from 30,000 to 100,000 in the next three years.

The plan to achieve these goals is included in the four-point plan that was proposed at the Insurance Summit, which included the enforcement of public interest in compulsory insurance, job creation, building consumer trust and public awareness and also improved access to insurance products, taking into consideration that a buoyant insurance sector, would result to greater contribution to the country's Gross Domestic Product and lead to a robust economy for Nigeria.

3.2 LICENSING OF OPERATORS

The Commission issued an operating license to the Nigerian Police Force Pensions Limited (NPF Pensions Limited) to carry out the business of a Pension Fund Administrator (PFA). This brought the total number of pension operators to 32 in 2014 from 31 operators that were in existence in 2013. The number of Approved Existing Schemes, Pension Fund Custodians, and Closed Pension Fund Administrators were maintained at 19, 4 and 7 respectively. A breakdown of the Pension Fund Operators between 2011 and 2014 is given in Table 3.1.

Table 3.1: Number of Pension Operators as at December 2014

| Pension Operators | 2011 | 2012 | 2013 | 2014 |
|------------------------------------|-------------|-------------|-------------|-------------|
| Pension Fund Administrators | 24 | 20 | 20 | 21 |
| Pension Fund Custodians | 4 | 4 | 4 | 4 |
| Closed Pension Fund Administrators | 7 | 7 | 7 | 7 |
| Approved Existing Schemes | 19 | 19 | 19 | 19 |
| Total | 54 | 50 | 50 | 51 |

3.3 MEMBERSHIP OF PENSION SCHEMES

The total membership of pension schemes increased from 5,988,511 in 2013 to 6,461,890 in 2014, representing an increase of 7.91 percent. Membership of RSA scheme dominated total scheme memberships at 6,396,574, representing 98.99 percent of total memberships.

3.3.1 RSA Scheme Membership

The total RSA registration in the private and public sectors witnessed an increase of 477,295 as total registration moved from 5,919,299 in 2013 to 6,396,574 in 2014, representing an increase of 8.06 percent.

The public sector accounted for 3,093,448 representing 48.37 percent of the RSA registrations, while the private sector accounted for 3,302,221 which is the balance 51.63 per cent. A graphical presentation of public/private sector memberships of RSA members is presented in Figure 3.2.

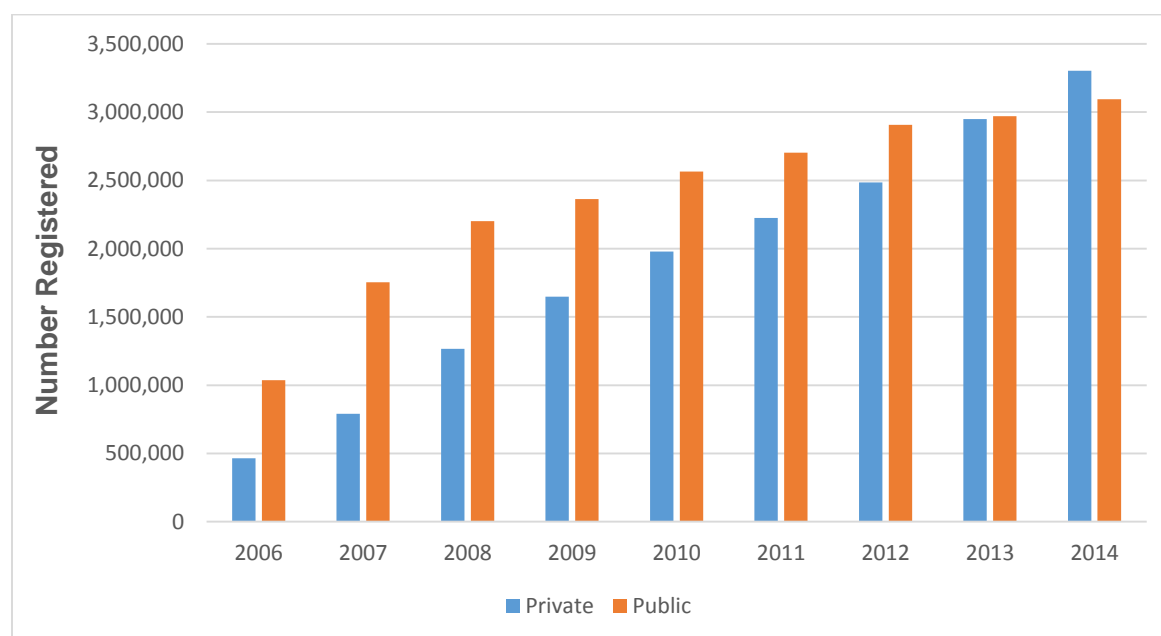


Figure 3.1: RSA Registration by Sector

A review of Figure 3.1 shows that the total number of registered RSA holders increased in both the public and private sectors from 2006 to date. It can however be seen from the figure that the rate of growth of the private sector RSA registration was higher than that of the public sector in 2014. This statistics shows the need for the Commission to explore membership from the states and local government as prescribed by the PRA 2014. As at 31 December 2014, 26 State Governments

have enacted their CPS Bills into Law, 10 others were at various stages of implementing the CPS.

The increase in private sector RSA registrations could be explained by the following factors: efforts of the Recovery Agents appointed 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 employed 5 or more employees comply with the scheme. In addition, there was also 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.

Table 3.2: RSA Registrations in 2014

| Age Range | Public Sector | | Private Sector | | Total | | Grand Total | |
|------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|---------------|
| | Male | Female | Male | Female | Male | Female | Number | % of Total |
| Less than 30 yrs | 158,540 | 65,853 | 363,205 | 161,274 | 521,745 | 227,127 | 748,872 | 11.71 |
| 30 - 39 yrs | 707,296 | 349,945 | 1,078,415 | 383,325 | 1,785,711 | 733,270 | 2,518,981 | 39.39 |
| 40 - 49 yrs | 545,643 | 338,147 | 650,710 | 161,751 | 1,196,353 | 499,898 | 1,696,251 | 26.52 |
| 50 - 59 yrs | 472,141 | 243,292 | 333,496 | 53,821 | 805,637 | 297,113 | 1,102,750 | 17.24 |
| 60 – 65 yrs | 132,944 | 43,970 | 74,198 | 7,863 | 207,142 | 51,833 | 258,975 | 4.05 |
| Above 65 yrs | 29,443 | 6,234 | 31,278 | 2,885 | 60,721 | 9,119 | 69,840 | 1.09 |
| TOTAL | 2,046,007 | 1,047,441 | 2,531,302 | 770,919 | 4,577,309 | 1,818,360 | 6,395,669 | 100.00 |

A review of RSA registration by age distribution of participants shows that the contributors in the age bracket “30-39” accounted for the highest proportion of RSA holders in 2014 at 39.39 percent of total registrations as shown in Table 3.2. RSA holders in the age bracket “40-49” made the second highest proportional contribution at 26.52 percent in the year. In all, these two age brackets accounted for more than half of the RSA holders at 65.91 percent in 2014. The table also shows that 51.10 percent of total RSA holders in 2014 were less than 40 years.

The aforementioned suggests that RSA holders are relatively young. This provides a safety net for investing Pension Funds in relatively long-term investments without fear of any immediate call for liquidity. Thus, pension funds can be conveniently invested in infrastructure bonds and other available instruments of long term gestation which will yield positive real returns whilst still ensuring safety of the pension asset. It is expected that RSA registration will continue to grow as more State Governments private sector employers, and informal sector implemented the CPS. The Pension Industry would continue to leverage on the stable macro-economic policies, robust economic growth, and collaboration with other regulatory agencies.

3.3.2 Memberships of CPFA and AES

The respective memberships of CPFAs and AES were 24,365 and 40,951 as at 31 December, 2014 as shown in Tables 3.3 and 3.4. Membership of AES dropped by 2,179 or 5.05 percent in 2014 and membership of CPFAs also dropped by 334 or 1.34%. The reduction in membership of CPFAs and AES could be attributed to the exit of some members of the schemes who joined other organisations.

Table 3.3: Membership of AES in 2014

| Enrolment Type | 2013 | | 2014 | |
|---------------------|---------------|------------|---------------|------------|
| | Number | % of Total | Number | % of Total |
| Active Members | 26,299 | 60.98 | 24,255 | 59.23 |
| Current pensioners | 15,448 | 35.82 | 15,313 | 37.39 |
| Deferred Pensioners | 149 | 0.35 | 149 | 0.36 |
| Dependents | 1,234 | 2.86 | 1,234 | 3.01 |
| Total | 43,130 | 100 | 40,951 | 100 |

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 2014

| Enrolment Type | 2013 | | 2014 | |
|---------------------|---------------|------------|---------------|------------|
| | Number | % of Total | Number | % of Total |
| Active Members | 18,504 | 74.92 | 17,935 | 73.61 |
| Current pensioners | 5,600 | 22.67 | 5,835 | 23.95 |
| Deferred Pensioners | 595 | 2.41 | 595 | 2.44 |
| Total | 24,699 | 100 | 24,365 | 100 |

3.4 PENSION CONTRIBUTIONS

Total pension contributions into the RSA of employees in the private and public sectors amounted to N581.38 billion in 2014 as shown in Tables 3.5 and 3.6. The public sector accounted for N237.49 billion, which represents 40.85 percent of total pension contributions in the year. However, cumulatively, total pension contributions as at 31 December, 2014 amounted to N2,829.06 billion. This was made up of N1,614.28 billion contributions from the public sector, which represents 57.1 percent of total contributions and N1,214.78 billion from the private sector, which represents the remaining balance of 42.9 percent.

Table 3.5: Public Sector Pension Contributions as at December 2014

| Year | Amount (N Billion) | Percentage of Total |
|--------------|--------------------|---------------------|
| 2004 | 15.6 | 0.97 |
| 2005 | 34.68 | 2.15 |
| 2006 | 37.38 | 2.32 |
| 2007 | 80.63 | 4.99 |
| 2008 | 99.28 | 6.15 |
| 2009 | 137.1 | 8.49 |
| 2010 | 162.46 | 10.06 |
| 2011 | 228.92 | 14.18 |
| 2012 | 302.24 | 18.72 |
| 2013 | 278.5 | 17.25 |
| 2014 | 237.49 | 14.71 |
| TOTAL | 1,614.28 | 100.00 |

The total contributions of the public sector included ₦1,614.28 billion from employees of participating States, Local Governments and self-funding State and FGN agencies. The average monthly contributions for the public sector decreased by 14.74 Percent from ₦23.21 in 2013 to ₦19.79 in 2014.

Table 3.6: Private Sector Pension Contributions as at December 2014

| Year | Amount (N Billion) | Percentage of Total |
|--------------|--------------------|---------------------|
| 2006 | 23.03 | 1.90 |
| 2007 | 68.34 | 5.63 |
| 2008 | 80.81 | 6.65 |
| 2009 | 91.21 | 7.51 |
| 2010 | 103.03 | 8.48 |
| 2011 | 119.53 | 9.84 |
| 2012 | 159.52 | 13.13 |
| 2013 | 225.42 | 18.56 |
| 2014 | 343.89 | 28.31 |
| Total | 1,214.78 | 100.00 |

On the other hand, the private sector pension contribution recorded an increase of 52.56 percent in 2014 as it moved from ₦225.42 billion in 2013 to ₦343.89 billion in 2014. Also, the average monthly pension contribution by the private sector increased from ₦18.79 billion in 2013 to ₦28.66 billion in 2014, representing an increase of 52.53 percent.

3.5 INDUSTRY PORTFOLIO ANALYSIS

The Net Assets Value (NAV) under the management of Pension Operators was valued at ₦4.61 trillion as at 31 December 2014 compared to the ₦4.06 trillion recorded in 2013. This indicated that the funds had a 13.55 percent growth during the review period. The growth was primarily due to receipt of pension contributions into the RSA Funds and investment incomes.

Table 3.7: Pension Fund Portfolio as at 31 December 2014

| S/N | Asset Class | RSA | | AES | CPFA | Total | | | | Variance (Between 2014 and 2013) | |
|-----|---------------------------------|--------------------|--------------------|---------------|---------------|--------------------|---------------|--------------------|---------------|--|--------------|
| | | Active | Retiree | | | As at 31/12/2014 | | As at 31/12/2013 | | Amount ₦Billion | Weight % |
| | | Amount ₦Billion | Amount ₦Billion | | | Amount ₦Billion | Weight % | Amount ₦Billion | Weight % | | |
| 1 | Quoted Ordinary Shares | 336.82 | 4.07 | 115.64 | 85.76 | 542.29 | 11.76 | 592.16 | 14.59 | (49.87) | -8.42 |
| 2 | FGN Bonds | 1,739.56 | 225.74 | 237.1 | 195.75 | 2398.15 | 52.00 | 1,739.62 | 42.87 | 658.53 | 37.85 |
| 3 | Treasury Bills | 205.7* | 45.9 | 76.42 | 83.76 | 498.78 | 10.82 | 647.73 | 15.96 | (148.95) | (23.00) |
| 4 | State Govt. Securities | 110.67 | 23.32 | 26.67 | 11.72 | 172.38 | 3.74 | 210.26 | 5.18 | (37.88) | (18.02) |
| 5 | Corporate Debt Securities | 46.96 | 13.51 | 24.27 | 34.14 | 118.88 | 2.58 | 80.94 | 1.99 | 37.94 | 46.87 |
| 6 | Local Money Market Securities | 366.57 | 42.75 | 78 | 52.01 | 539.33 | 11.70 | 471.98 | 11.63 | 67.35 | 14.27 |
| 7 | Open/Close end Funds | 14.67 | 0 | 2.2 | 3.49 | 20.36 | 0.44 | 20.93 | 0.52 | (0.57) | (2.72) |
| 8 | Supranational Bonds | 6.83 | 3.53 | 0 | 2.52 | 12.88 | 0.28 | 1.77 | 0.04 | 11.11 | 627.68 |
| 9 | Private Equity Funds | 4.11 | 0 | 0 | 7.76 | 11.87 | 0.26 | 8.08 | 0.20 | 3.79 | 46.91 |
| 10 | Real Estate Properties | 0 | 0 | 87.22 | 126.28 | 213.5 | 4.63 | 192.32 | 4.74 | 21.18 | 11.01 |
| 11 | Foreign Equities | 0 | 0 | 0 | 59.5 | 59.5 | 1.29 | 52.57 | 1.30 | 6.93 | 13.18 |
| 12 | Foreign Money market Securities | 0 | 0 | 0 | 0.12 | 0.12 | 0.00 | 0.86 | 0.02 | (0.74) | (86.05) |
| 13 | Cash & other Assets | 10.39 | 6.19 | 7.29 | (0.29) | 23.58 | 0.51 | 38.22 | 0.94 | (14.64) | (38.30) |
| | Net Asset Value | 2,842.28 | 365.01 | 654.81 | 662.52 | 4,611.62 | 100.00 | 4,057.44 | 100.00 | 554.18 | 13.66 |

*Note: * This includes ₦87 billion balance of unremitted contributions of FGN Treasury funded employees managed by the CBN*

exclusive of pension contributions of ₦87Billion due to employees of the Federal Government of Nigeria (FGN), awaiting remittance to their Retirement Savings Accounts but invested in Treasury Bills by the Central Bank of Nigeria.

Data aggregates from Table 3.7 indicated that investments in Federal Government Securities (FGN Bonds and Treasury Bills) had the highest actual assets allocation of 52.82 percent of total pension fund assets. During the year, PFAs showed preference for FGN Bonds, which was viewed as a 'flight-to-safety' strategy due to uncertainties that characterised the stock market in 2014. Investments in Treasury

Bills decreased by 23.00 percent as PFAs showed a preference for Money Market Instruments due to slightly higher yields.

In addition, pension funds invested in the new corporate bond/note issues of First City Monument Bank (FCMB) Plc, UBA Plc and StanbicIBTC Bank (SIBTC) Plc. The African Development Bank (AfDB) issued a Naira-denominated bond at a coupon rate of 11.25 percent per annum, which a number of pension funds subscribed to. The State Government Bonds issued by Kwara, Lagos and Niger States as well as corporate bonds issued by Guaranty Trust Bank Plc and Lafarge WAPCO Cement Plc matured during the year. All the bond issues were fully redeemed at maturity.

3.6 ANALYSIS OF RSA FUNDS

3.6.1 The RSA 'Active' Funds

Pension fund assets in the RSA 'Active' Funds grew by of 20.60 percent in 2014. The Net Assets Value (NAV) amounted to ₦2.84 Trillion, indicating a growth of ₦485.52 Billion from the ₦2.46 Trillion recorded as at 31 December 2013. However, despite the increase in the value of the funds, the growth rate was significantly lower than the 35.74 percent recorded in 2013.

As shown in Table 3.8, the pension fund assets were spread across eight asset classes with major investments in FGN Securities (68.44 percent), Money Market Instruments (12.90 percent) and Quoted Equities (11.85 percent). All investments were within the portfolio limits stipulated in the Investment Regulation issued by the Commission.

Table 3.8: Portfolio of RSA Active Funds as at 31 December 2014

| S/N | ASSET CLASS | Portfolio Limit % | As at 31 Dec 2014 | | As at 31 Dec 2013 | | Variance Between 2014 & 2013 | |
|-----|--------------------------------|-------------------|-------------------|----------|-------------------|----------|------------------------------|----------|
| | | | Value ₦ Billion | Weight % | Value ₦ Billion | Weight % | Value ₦ Billion | Weight % |
| 1 | Quoted Ordinary Shares | 25 | 336.82 | 11.85 | 334.56 | 14.2 | 2.26 | 0.68 |
| 2 | Federal Government Securities: | 80 | | | | | | |
| | (i) FGN Bonds | | 1,739.56 | 61.20 | 1,204.75 | 51.12 | 534.81 | 44.39 |
| | (ii) Treasury Bills | | 205.70 | 7.24 | 417.40 | 13.26 | (106.9) | (34.2) |
| 3 | State Government Bonds | 20 | 110.67 | 3.89 | 135.20 | 5.74 | (24.53) | (18.14) |
| 4 | Corporate Debt Securities | 35 | 46.96 | 1.65 | 30.13 | 1.28 | 16.83 | 55.86 |
| 5 | Money Market Instruments | 35 | 366.57 | 12.90 | 306.53 | 13.01 | 60.04 | 19.59 |
| 6 | Open/Close-End Funds | 20 | 14.67 | 0.52 | 14.71 | 0.62 | (0.04) | (0.27) |
| 7 | Supranational Bonds | 20 | 6.83 | 0.24 | 1.25 | 0.05 | 5.58 | 446.40 |
| 8 | Private Equity Funds | 5 | 4.11 | 0.14 | 2.71 | 0.11 | 1.40 | 51.66 |

| | | | | | | | | |
|---|------------------------|--|-----------------|------------|-----------------|------------|---------------|--------------|
| 9 | Cash & Other Assets | | 10.39 | 0.37 | 14.32 | 0.61 | (3.93) | (27.44) |
| | Net Asset Value | | 2,842.28 | 100 | 2,461.56 | 100 | 380.72 | 15.47 |

3.6.2 Sources of Portfolio Growth/Diminution

The sources of the net portfolio growth of ₦485.52 Billion in 2014 are presented in Table 3.9 below.

Table 3.9: Sources of Portfolio Growth for RSA 'Active' Fund

| S/N | SOURCES OF PORTFOLIO GROWTH | 2014 | 2013 | Variance Between 2014 & 2013 |
|-----|---|-------------------------|------------------------|---------------------------------|
| | | Amount (₦ Billion) | Amount (₦ Billion) | Amount (₦ Billion) |
| 1. | New Inflow of Funds • Contributions | 498.64* | 514.82 | (16.18) |
| 2. | Investment Income • Interests/Coupons • Dividends • Net Realized Gains/ (Losses) | 278.71 15.37 4.27 | 209.86 9.24 7.15 | 68.85 6.13 (92.82) |
| 3. | Net Unrealized Gains/ (Losses) on Quoted Equities/Equity Funds | (85.67) | 78.79 | (74.52) |
| 4. | Benefits Paid / Transfers to Retiree Fund | (164.54) | (123.97) | (40.57) |
| 5 | Asset Based Fees (and VAT) | (61.26) | (46.20) | (15.11) |
| | Total | 485.52 | 649.69 | (182) |

Note: * These are reconciled contributions from contributions received in 2013 as well as unreconciled contributions received in previous years that were unitized.

The interests and coupons earned on investments in fixed income securities (Money Market Instruments and Bonds) totalled ₦278.71 billion. This amount represented a 32.80 percent increase over the sum of ₦209.86 billion received in 2013.

The total dividends received on equity/equity fund investments was ₦15.37 billion, an increase of 66.34 percent over total dividends of ₦9.24 billion received in 2013. The increment was attributable to improved financial performances and dividend payout by quoted companies in 2014.

The monthly pension contributions constituted the major source of growth of the RSA 'Active' Fund during the year, totaling ₦498.64 billion. This amount was lower than the total contributions of ₦514.82 billion received in 2013; and was due to delayed remittances in respect of employees of Treasury funded Federal Government Agencies for the month of December 2014.

The private sector took the lead in terms of total contributions remitted, accounting for 59.00 percent of the total contributions received in 2014, while the public sector (including State Governments) accounted for 41.00 percent.

3.6.3 Portfolio Performance

The Weighted Average Rate of Return on the RSA 'Active' Fund, net of asset based fees and taxes, was 6.13 percent in 2014. Based on the average inflation rate of 8.06 percent, the funds recorded a negative real return of 1.93 percent. This was in contrast to the Weighted Average Rate of Return of 14.56 percent recorded in 2013. The dip in the Weighted Average Rate of Return in 2014 was reflective of the performance of the Nigerian Stock Market, as the Nigerian Stock Exchange All Share Index (NSE-ASI) depreciated by 16.14%, from 41,329.19 basis points on 31 December 2013 to 34,657.15 basis points as at 31 December 2014.

The Central Bank of Nigeria (CBN) maintained the Monetary Policy Rate (MPR) at 12 percent up to November 2014, when it was increased to 13 percent. This had an impact on yields on fixed income securities in the last two months of the year under review. The yields on bonds and deposit rates on money market instruments, which constituted significant portion of the RSA 'Active' Funds (87.00 percent as at 31 December 2014), were slightly below those of 2013. However, interest incomes to a great extent cushioned the effect of the huge unrealized losses on equity investments. The average deposit rates on investment in Money Market Instruments across all tenors was 12.00 percent. However, deposit rates in the month of December 2014 spiked to 16.00 percent as banks sought to shore up their balance sheets in the quest for positive results at financial year-end.

3.6.4 Review of RSA Active Funds' Portfolios

(a) Domestic Quoted Ordinary Shares

The value of investment in quoted ordinary shares was ₦336.82 billion as at 31 December 2014. This accounted for 11.85 percent of portfolio value (maximum limit is 25%), indicating an increase of ₦2.26 billion over the value of ₦334.56 billion reported as at 31 December 2013.

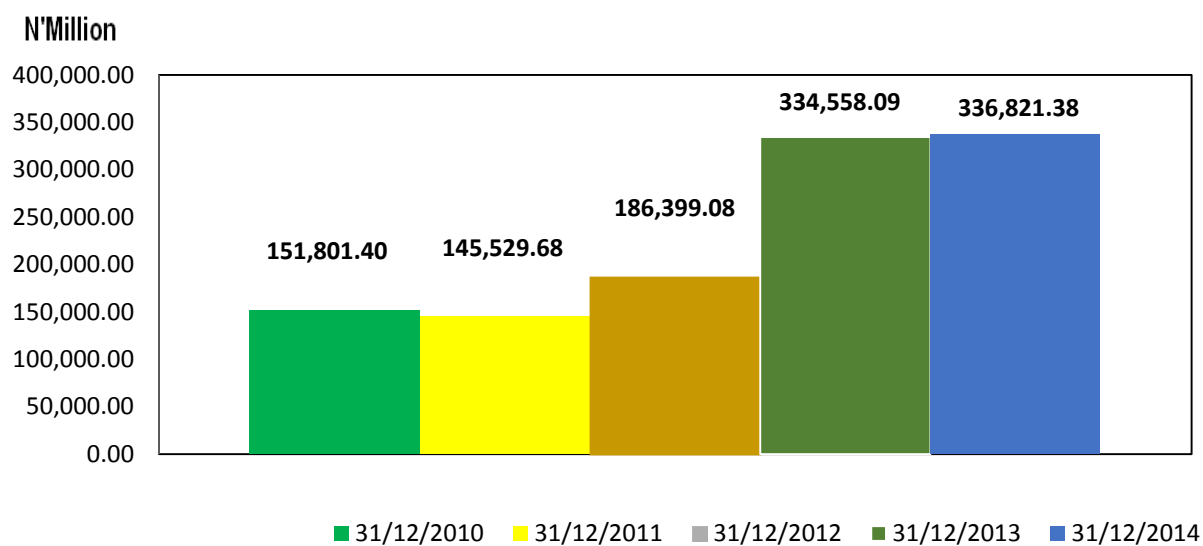


Fig. 3.2: Growth Trend of 'Active' Fund Investments in Ordinary Shares (2010-2014)

Equity investments in the Financial Services Sub-sector, mostly banking stocks, had the highest actual assets allocation and accounted for 29.00 percent of total value of equity investments, down from 35.00 percent in 2013. Investments in the various Sub-sectors are represented in Figure 3.3 below:

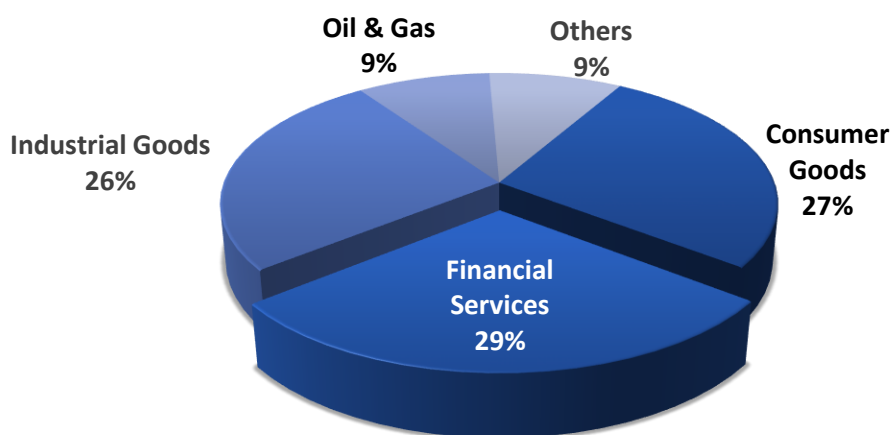


Fig. 3.3: RSA Active' Fund Equity Investment in Various Sub-Sectors

(b) Federal Government of Nigeria (FGN) Securities

Investments in Federal Government of Nigeria (FGN) Securities (bonds and treasury bills) were valued at ₦1.95 Trillion as at 31/12/14, representing a growth of ₦322.76 Billion over the figure of ₦1.62 Trillion as at 31/12/2013. This amount was exclusive of FGN employees' pension contributions amounting to ₦87.00 Billion invested in Treasury Bills in the CBN and awaiting remittances to their RSAs. Investments in FGN Bonds were valued at ₦1.74 Trillion (89.43 percent of value of investments in FGN Securities), while Treasury Bills amounted to ₦205.70 Billion (10.54 percent of investments in FGN Securities).

Table 3.10: Term-to-Maturity Profile of FGN Bonds as at 31 December, 2014

| S/N | Term to Maturity | Amount ₦ Billion | % of Total Value of FGN Bonds |
|-----|----------------------|---------------------|----------------------------------|
| 1 | Below 3years | 378.33 | 21.75 |
| 2 | 3years – 5years | 340.94 | 19.60 |
| 3 | Above 5years – 10yrs | 524.21 | 30.13 |
| 4 | Above 10years | 496.07 | 28.52 |
| | Total | 1,739.56 | 100.00 |

(c) State Government Bonds

The value of investments in State Government Bonds was ₦110.68 Billion, accounting for 3.78 percent of total portfolio value of RSA 'Active' Funds (maximum portfolio limit is 20%) as at 31 December 2014 as shown in Table 3.11 below. There were no new State Government issuances during the year that qualified for pension fund investments.

Table 3.11: Breakdown of Investments in State Government Bonds

| STATE | CREDIT RATING | MATURITY DATE | TENOR (Years) | COUPON RATE (%) | MARKET VALUE OF INVESTMENT (₦BILLION) | WEIGHT (%) |
|------------------------|------------------|------------------|------------------|--------------------|---|---------------|
| BAYELSA STATE | A | 30/06/2017 | 7 | 13.75 | 6.01 | 5.43 |
| DELTA STATE | A | 30/09/2018 | 7 | 14.00 | 17.13 | 15.48 |
| EBONYI STATE | A | 30/09/2015 | 5 | 13.50 | 1.19 | 1.08 |
| IMO STATE | A | 30/06/2016 | 7 | 15.50 | 1.74 | 1.57 |
| KADUNA STATE | A | 31/08/2015 | 5 | 12.50 | 1.39 | 1.26 |
| LAGOS STATE (SERIES 2) | A | 19/04/2017 | 7 | 10.00 | 12.73 | 11.50 |
| LAGOS STATE (SERIES 1) | A | 22/11/2019 | 7 | 14.50 | 20.06 | 18.12 |
| LAGOS STATE (SERIES 2) | A | 27/11/2020 | 7 | 13.75 | 29.24 | 26.42 |
| NIGER STATE (SERIES 2) | A | 26/09/2018 | 7 | 14.00 | 8.57 | 7.74 |
| OSUN STATE | A | 12/12/2019 | 7 | 14.75 | 12.62 | 11.40 |
| TOTAL | | | | | 110.68 | 100.00 |

However, earlier bonds issued by Kwara, Lagos and Niger States matured in 2014. Investments in bonds issued by Lagos State Government amounted to ₦62.03 Billion as at 31 December, 2014, accounting for 56.04 percent of total investments in State Government Bonds. Other major investments were in Delta State Bond valued at ₦17.13 Billion (15.48 percent); Osun State Bond, ₦12.62 Billion (11.40 percent); Niger State Bond, ₦8.57 Billion (7.74 percent); and Bayelsa State Bond, ₦6.01 Billion (5.43 percent).

(d) Corporate Debt Securities

The investments in Corporate Debt Securities was valued at ₦46.96 Billion as at 31/12/14 and accounted for 1.60 percent of total portfolio value (maximum portfolio limit is 35%). This value was an increase of 55.86 percent over the value of investments of ₦30.13 Billion as at 31/12/13 and was partly due to new corporate bond investments in Fidson, StanbicBTC, FCMB, UBA and Diamond Bank (Eurobond). Also, two corporate bonds issued by Guaranty Trust Bank (GTB) Plc and Lafarge WAPCO Cement Plc matured in 2014 and were fully repaid.

Table 3.12: Summary of Investments in Corporate Debt Securities

| S/N | Name of Issuer | Maturity Date | Tenor (Years) | Coupon (%) | Total Investment | Weight % |
|-----|--|---------------|---------------|-------------|------------------|------------|
| | | | | | ₦Billion | |
| 1 | C & I LEASING | 20/11/2017 | 5 | 17.5 | 0.27 | 0.57 |
| 2 | Dana Group Plc | 9/4/2018 | 7 | MPR+7 | 0.11 | 0.23 |
| 3 | FCMB SPV | 16/11/2021 | 7 | 14.25 | 12.72 | 27.09 |
| 4 | Fidson | 7/11/2019 | 5 | 15.5 | 0.1 | 0.21 |
| 5 | Flour Mills Plc | 9/12/2015 | 5 | 12 | 0.29 | 0.62 |
| 6 | FSDH SPV | 25/10/2016 | 3 | 14.25 | 0.52 | 1.11 |
| 7 | La Casera Company Plc | 18/10/2018 | 5 | 15.25 | 0.68 | 1.45 |
| 8 | Nigerian Aviation Handling Company Plc | 20/09/2016 | 5 | 13 | 0.95 | 2.02 |
| 9 | Nigerian Aviation Handling Company Plc | 12/5/2020 | 7 | 15.25 | 0.53 | 1.13 |
| 10 | Stanbic IBTC Bank | 30/09/2024 | 10 | 13.25 | 7.48 | 15.93 |
| 11 | Tower Funding Plc | 9/9/2018 | 7 | MPR+7/MPR+5 | 0.36 | 0.77 |
| 13 | UBA Plc (Series 1) | 30/09/2017 | 7 | 13 | 8.48 | 18.06 |
| 14a | UBA Plc (Series 2) | 20/09/2018 | 7 | 14 | 8.11 | 17.27 |
| 14b | UBA Plc | 30/12/2021 | 7 | 16.45 | 4.79 | 10.2 |
| 15 | UPDC Plc | 17/08/2015 | 5 | 10 | 1.11 | 2.36 |
| 16 | Diamond Bank (Eurobond) | 21/05/2019 | 5 | 8.75 | 0.46 | 0.98 |
| | Total | | | | 46.96 | 100 |

These new investments were within approved limits and satisfied the quality requirements as stipulated in the Investment Regulation.

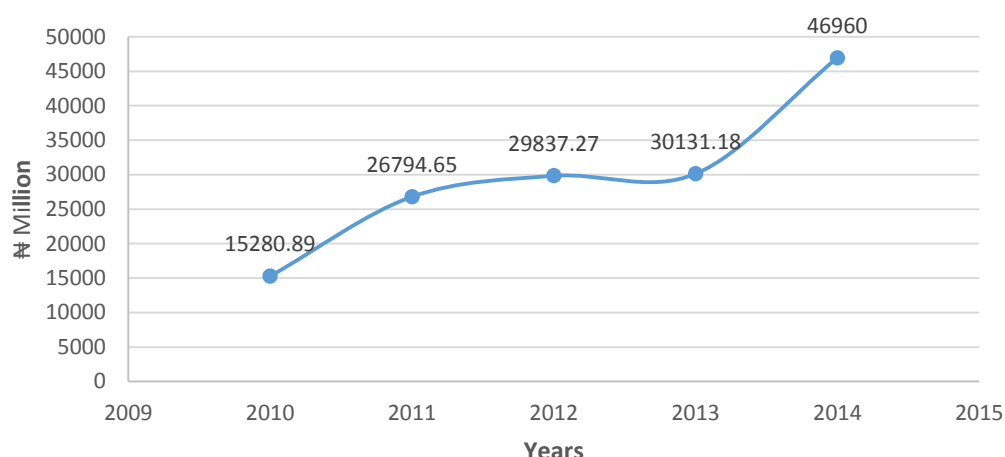


Fig. 3.4: Trend of Investment in Corporate Bond Securities (2010-2014)

(e) Others

Pension Fund investments were mainly in money market instruments of the following banks: Access Bank Plc (19.00 percent of total money market investments); SIBTC Bank Plc (14.00 percent); Skye Bank Plc (11.00 percent); Fidelity Bank Plc (9.00 percent); FCMB Plc (9.00 percent); Diamond Bank Plc (7.00 percent); and Eco Bank Plc (6.00 percent). However, tenured placements in Discount Houses amounted to ₦2.48 Billion, accounting for less than 1.00 percent of total money market investments. Pension fund investments in discount houses had decreased significantly over the past few years due to concerns about their financial stability as well as restructuring activities taking place within the sector, as the few existing discount houses had already applied for merchant banking licenses from the CBN.

The investments in Open/Close-Ended / Hybrid Funds were valued at ₦14.67 Billion as at 31/12/2014, representing 0.52 percent of total value of RSA 'Active' Fund. Pension Fund investments were mainly in the UAC Property Development Company REIT, which accounted for 43.00 percent of total mutual fund investments. Other major investments were in the Union Homes Plc REITs (15.00 percent); SIM Capital Fund (15.00 percent); and ARM Discovery Fund (10.00 percent). All investments were within approved investment limits and satisfied the quality requirements as stipulated in the Investment Regulation

Investments in Supranational Bonds were valued at ₦6.83 Billion as at 31/12/2014, representing 0.24 percent of total value of RSA 'Active' Fund. It comprised of

investments in the International Finance Corporation (IFC) Naira-denominated Bond issued in 2013 and the African Development Bank (AfDB) Naira denominated bond, which was issued in July 2014. Both bonds have a credit rating of 'AAA' and satisfied other stipulated quality requirements for pension funds.

As at 31/12/2014, the value of investment in Private Equity (PE) Funds was ₦4.11 Billion, an increase of ₦1.40 Billion over the value of ₦2.71 Billion as at end of 2013; and was mainly due to fresh investments made by PFAs during the year 2014.

The un-invested cash balance was ₦10.40 Billion as at 31 December 2014. This comprises of new contributions to be deployed to investible outlets; matured investments to be deployed to other asset classes; cash to meet exit liquidity requirements; etc. The average call rate on un-invested cash balances ranged between 2 percent per annum and 5 percent per annum, depending on the volume of average daily balances.

3.7 The RSA 'Retiree' Funds

The value of the RSA 'Retiree' Fund totalled ₦365.01 Billion as at 31 December 2014. The investments were spread across six asset classes, but mainly invested in Federal Government Securities, 74.41 percent (FGN Bonds: 61.84 percent; Treasury Bills: 12.57 percent); Money Market Instruments (11.71 percent); and State Government Bonds (6.39 percent). Details are shown in Table 3.13 below.

Table 3.13: Portfolio Mix of RSA Retiree Funds as at 31 December, 2014

| S/N | ASSET CLASS | Portfolio Limit (%) | 2014 | | 2013 | | Variance | |
|-----|--------------------------------|---------------------|---------------|---------------|---------------|---------------|--------------|--------------|
| | | | ₦ Billion | Weight % | ₦ Billion | Weight % | ₦ Billion | Weight % |
| 1 | Quoted Equities | 10 | 4.07 | 1.12 | 3.19 | 0.98 | 0.88 | 27.59 |
| 2 | Federal Government Securities: | 80 | | | | | | |
| | (i) FGN Bonds | | 225.74 | 61.84 | 167.67 | 51.77 | 58.07 | 34.63 |
| | (ii) Treasury Bills | | 45.9 | 12.57 | 61.44 | 18.97 | (15.54) | (25.29) |
| 3 | State Government Bonds | 20 | 23.32 | 6.39 | 29.94 | 9.24 | (6.62) | (22.11) |
| 4 | Corporate Debt Securities | 35 | 13.51 | 3.7 | 6.61 | 2.04 | 6.9 | 104.39 |
| 5 | Supranational Bonds | 20 | 3.53 | 0.97 | 0 | 0 | 3.53 | 0.00 |
| 6 | Money Market Instruments | 35 | 42.75 | 11.71 | 50.24 | 15.51 | (7.49) | (14.91) |
| 7 | Cash & Other Assets | | 6.19 | 1.7 | 4.77 | 1.47 | 1.42 | 29.77 |
| | Net Asset Value | | 365.01 | 100.00 | 323.86 | 100.00 | 41.15 | 12.71 |

3.7.1 Sources of Portfolio Growth or Diminution for the Retiree Funds

The sources of growth for the RSA Retiree Funds are shown in Table 3.14 below.

Table 3.14: Sources of Portfolio Growth for the Retiree Funds

| S/N | SOURCES OF PORTFOLIO GROWTH | 2014 | 2013 | Variance |
|-----|--|--------------|--------------|--------------|
| | | ₦ Billion | ₦ Billion | ₦ Billion |
| 1 | New Inflow of Funds • Transfers of RSA 'Active' balances/Accrued Rights | 183.76 | 185.88 | -2.12 |
| 2 | Investment Income | | | |
| | i. Interests/Coupons | 44.09 | 33.71 | 10.39 |
| | ii. Dividends | 0.19 | 0.42 | -0.23 |
| | iii. Net Realized Gains | 0.83 | 0.44 | 0.4 |
| 3 | Net Unrealized Gains/Losses on Equities/Equity Funds | -1.6 | 1.33 | -2.93 |
| 4 | Retirement Benefits Paid | -182.8 | -146.17 | -36.63 |
| | Income Based Fees (+ VAT) | -3.32 | -2.76 | -0.56 |
| | Total | 41.15 | 72.85 | -31.7 |

Table 3.14 shows that the transfers from the RSA 'Active' Funds and Retirement Benefit Redemption Fund of RSA balances and Accrued Rights of Retirees Account with the CBN amounted to ₦183.76 Billion, a slight decrease of 1.14 percent, compared to the total amount of ₦185.88 Billion in 2013.

The interests and coupons earned on investments in fixed income securities (Money Market Instruments and Bonds) totalled ₦44.28 Billion, representing a 29.74 percent growth above the ₦34.13 Billion received in 2013. The higher interest income in 2014 resulted primarily from increase in the absolute value of investments in fixed income securities.

The net unrealised losses on equity investments amounted to ₦1.60 Billion compared to unrealised gains of ₦1.33 Billion in 2013. The unrealised losses were mainly due to the sustained diminution in the prices of stocks as reflected by the performance of the Nigerian Stock Exchange All Share Index, which returned a negative performance of 16.14 percent in 2014.

The net realized gains on the disposal/divestment in equities and bonds amounted to ₦0.83 Billion. However, the realized gains were mostly from sale of FGN Bonds for reasons of profit taking.

The total income based fees charged to the Retiree Fund and paid to pension operators was N3.32 Billion, and accounted for 7.63 percent of total investment income of ₦43.51 Billion in 2014. The slight excess over the maximum rate of 7.50 percent stipulated in the Regulation on Fees Structure, represented the 5 percent VAT charges on fees payable to the PFAs and PFCs.

3.7.2 Portfolio Performance of the RSA Retiree Funds

The RSA Retiree Funds recorded a Weighted Average Rate of Return (WARR) of 11.60 percent in 2014. This was a dip from the return of 12.51 percent recorded in 2013. Although yields on fixed income securities were within the 2013 levels, the investments in ordinary shares and subsequent negative performance of the stock market in 2014 had a negative impact on the overall performance of the Retiree Funds.

3.7.3 Review of the RSA Retiree Funds' Portfolios

(a) Domestic Ordinary Shares

The value of quoted ordinary shares was ₦4.07 Billion, accounting for 1.12 percent of total portfolio value ((maximum portfolio limit is 10%). Ordinary shares investment in the Consumer Goods Sub-sector was the highest and accounted for 33.00 percent of equity investments. Other significant investments were in Oil & Gas (25.00 percent); Financial Services (19.00 percent); and Industrial Goods (17.00 percent). The breakdown of significant investments in ordinary shares by the Retiree Funds is shown in Fig. 3.5.

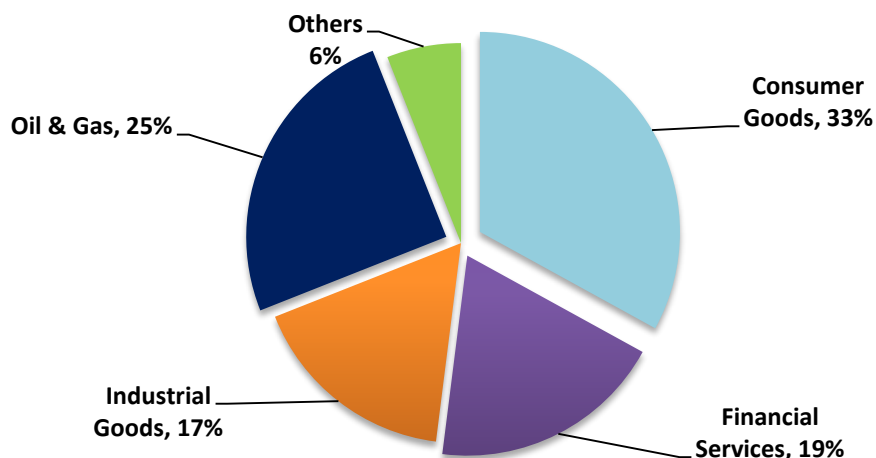


Fig. 3.5: RSA Retiree Funds Investment in Ordinary Shares

(b) Federal Government of Nigeria (FGN) Securities

Investments in Federal Government Securities (bonds and treasury bills) were valued at ₦227.12 Billion as at 31 December, 2014 and accounted for 74.41 percent of total RSA Retiree Funds, compared to ₦229.11 Billion (70.64 percent) in the previous year.

The Term to Maturity (TTM) profile of investments in FGN Bonds in the year under review is shown in Table 3.15 below.

Table 3.15: Term to Maturity profile of FGN Bonds held by Retiree Funds in 2014

| S/N | Term to Maturity | Amount ₦ billion | % of Total FGN Bonds |
|-----|----------------------|---------------------|-------------------------|
| 1 | Below 3years | 37.93 | 16.70 |
| 2 | 3years – 5years | 37.89 | 16.68 |
| 3 | Above 5years – 10yrs | 68.41 | 30.12 |
| 4 | Above 10years | 82.89 | 36.50 |
| | Total | 227.12 | 100.00 |

(c) State Government Bonds

The value of investments in State Government Bonds was ₦23.32 Billion as at 31 December 2014, as indicated in Table 3.16 below. This was a reduction of 22.11 percent compared to the value of ₦29.94 Billion in 2013. The reduced value was as a result of the maturity and full redemption of bonds issued by Kwara, Lagos and Niger State Governments.

Table 3.16: Retiree Funds Investments in State Government Bonds

| S/N | STATE GOVERNMENTS | CREDIT RATING | MATURITY DATE | TENOR (Years) | COUPON RATE (%) | TOTAL (₦BILLION) | WEIGHT (%) |
|-----|------------------------|---------------|---------------|---------------|-----------------|------------------|---------------|
| 1 | BAYELSA | A | 30/06/2017 | 7 | 13.75 | 0.88 | 3.77 |
| 2 | DELTA | A | 30/09/2018 | 7 | 14.00 | 2.38 | 10.21 |
| 3 | EBONYI | A | 30/09/2015 | 5 | 13.50 | 0.22 | 0.94 |
| 4 | IMO STATE | A | 30/06/2016 | 7 | 15.5 | 0.69 | 2.96 |
| 5 | KADUNA | A | 31/08/2015 | 5 | 12.5 | 0.11 | 0.47 |
| 6 | LAGOS STATE (SERIES 2) | A | 19/04/2017 | 7 | 10.00 | 3.31 | 14.19 |
| 7 | LAGOS STATE (SERIES 1) | A | 22/11/2019 | 7 | 14.50 | 3.38 | 14.49 |
| 8 | LAGOS STATE (SERIES 2) | A | 27/11/2020 | 7 | 13.75 | 4.96 | 21.27 |
| 9 | NIGER STATE (SERIES 2) | A | 26/09/2018 | 7 | 14.00 | 3.47 | 14.88 |
| 10 | OSUN | A | 12/12/2019 | 7 | 14.75 | 3.92 | 16.81 |
| | TOTAL BOND | | | | | 23.32 | 100.00 |

Also indicative from Table 3.14 above, is the fact that investments in the Lagos State Bond was the highest, with market value of ₦11.65 Billion and accounted for 49.97 percent of total value of State Government Bonds. Other significant investments were in bonds issued by Osun State, ₦3.92Billion (16.81 percent); Niger State, ₦3.47 Billion (14.88 percent); and Delta State, ₦2.38 Billion (10.21 percent).

(d) Corporate Debt Securities

Investments in Corporate Debt Securities was valued at ₦13.51 Billion for the year under review, indicating 3.70 percent of total portfolio value, which indicated a growth in value of 104.39 percent, higher than the value of ₦6.61 Billion as at 31 December, 2013.

Table 3.17: Corporate Debt Portfolio of RSA ‘Retiree’ Fund

| S/N | Name of Issuer | Maturity Date | Tenor (Years) | Coupon (%) | Total RSA ‘Retiree’ Investment | Weight % |
|-----|--|---------------|---------------|-------------|--------------------------------|---------------|
| | | | | | ₦ Billion | |
| 1 | C & I LEASING | 20/11/2017 | 5 | 17.5 | 0.03 | 0.22 |
| 2 | Dana Group Plc | 09/04/2018 | 7 | MPR+7 | 0.04 | 0.30 |
| 3 | FCMB SPV | 16/11/2021 | 7 | 14.25 | 4.93 | 36.49 |
| 4 | Flour Mills Plc | 09/12/2015 | 5 | 12 | 0.05 | 0.37 |
| 5 | FSDH SPV | 25/10/2016 | 3 | 14.25 | 0.21 | 1.55 |
| 6 | La Casera Company Plc | 18/10/2018 | 5 | 15.25 | 0.50 | 3.70 |
| 7 | Nigerian Aviation Handling Company Plc | 20/09/2016 | 5 | 13 | 0.53 | 3.92 |
| 8 | Stanbic IBTC | 30/09/2024 | 10 | 13.25 | 0.73 | 5.40 |
| 9 | Tower Funding Plc | 09/09/2018 | 7 | MPR+7/MPR+5 | 0.01 | 0.07 |
| 10 | UBA Plc (Series 1) | 30/09/2017 | 7 | 13 | 1.34 | 9.92 |
| 11 | UBA Plc (Series 2) | 20/09/2018 | 7 | 14 | 3.78 | 27.98 |
| 12 | UBA Plc | 30/12/2021 | 7 | 16.45 | 1.00 | 7.40 |
| 13 | UPDC Plc | 17/08/2015 | 5 | 10 | 0.36 | 2.66 |
| | TOTAL | | | | 13.51 | 100.00 |

As shown in Table 3.17, pension fund assets were invested in new bonds/notes issued by FCMB, StanbicIBTC and UBA. The major investments were in bonds issued by UBA and FCMB which were 45.30 percent and 36.49 percent respectively, of total investments in corporate bonds.

(e) Others

Investments in money market instruments were valued at ~~N~~42.75 Billion (11.71 percent of portfolio value of RSA Retiree Fund) as at 31/12/2014. This was slightly lower when compared to the value of investment of ~~N~~50.24 Billion as at 31/12/2013. The investments were mainly in the money market instruments issued by the following banks: Access Bank Plc, FCMB Plc, Skye Bank Plc, Fidelity Bank Plc, Diamond Bank Plc and FBN Plc.

The investments in Supranational Bonds were valued at ~~N~~3.53 Billion as at 31/12/2014. This was made up of investments in bonds issued by the International Finance Corporation (~~N~~0.10 Billion) and the African Development Bank (~~N~~3.43 Billion).

The un-invested cash balance was ~~N~~6.19 Billion as at 31/12/2014. The cash balances were in respect of matured tenured placements awaiting re-investment and transfer of retirees' balances from RSA 'Active' Fund awaiting deployment as at 31 December 2014.

3.8 Review of the CPFA Funds

There are seven Closed Pension Fund Administrators (CPFAs), four of which operated Defined Benefit Schemes while the remaining three operated a hybrid of Defined Benefit and Defined Contributory Schemes. All the CPFA Funds were governed by their individual Internal Investment Guidelines approved by the Commission.

The Net Assets Value of pension fund assets in the CPFA Funds had a 6.46 percent net growth amounting to ~~N~~40.21 Billion, as it increased from ~~N~~622.31 Billion on 31 December 2013 to ~~N~~662.52 Billion as at 31 December 2014. The increase in value was primarily attributed to funds injected by Scheme Sponsors to bridge funding deficits as well as investment incomes.

As presented in Table 3.18, the pension fund investments were spread across eight broad asset classes, but were mainly in Federal Government Securities (FGN Bonds and Treasury bills: 42.19 percent); Real Estate Properties (19.06 percent); Ordinary Shares (Domestic: 12.94 percent; Foreign: 8.98 percent); Domestic Money Market Instruments (7.85 percent) and Corporate Debt Securities (5.15 percent).

Table 3.18: Portfolio of the CPFA Funds as at 31 December, 2014

| Asset Class | 2014 | | 2013 | | Variance | |
|----------------------------------|---------------|---------------|---------------|---------------|--------------|-------------|
| | ₦ Billion | % | ₦ Billion | % | ₦ Billion | % |
| Domestic Ordinary Shares | 85.76 | 12.94 | 112.41 | 18.06 | (26.65) | (23.71) |
| Foreign Ordinary Shares | 59.50 | 8.98 | 52.57 | 8.45 | 6.93 | 13.18 |
| FGN Securities: | | | | | | |
| i. FGN Bonds | 195.75 | 29.55 | 164.99 | 26.51 | 30.76 | 18.64 |
| ii. Treasury Bills | 83.76 | 12.64 | 65.07 | 10.46 | 18.69 | 28.72 |
| State Govt. Bonds | 11.72 | 1.77 | 15.1 | 2.43 | (3.38) | (22.38) |
| Corporate Debt Securities | 34.14 | 5.15 | 27.77 | 4.46 | 6.37 | 22.94 |
| Supranational Bonds | 2.52 | 0.38 | 0.52 | 0.08 | 2.00 | 384.62 |
| Local Money Market Instruments | 52.01 | 7.85 | 48.28 | 7.76 | 3.73 | 7.73 |
| Foreign Money Market Instruments | 0.12 | 0.02 | 0.85 | 0.14 | (0.73) | (85.88) |
| Open/Close-End Funds | 3.49 | 0.53 | 3.33 | 0.54 | 0.16 | 4.80 |
| Real Estate Property | 126.28 | 19.06 | 123.73 | 19.88 | 2.55 | 2.06 |
| Private Equity | 7.76 | 1.17 | 5.37 | 0.86 | 2.39 | 44.51 |
| Cash & Other Assets Liabilities | (0.29) | (0.04) | 2.32 | 0.37 | (2.61) | (112.50) |
| Total Pension Fund Assets | 662.52 | 100.00 | 622.31 | 100.00 | 40.21 | 6.46 |

3.8.1 Sources of Portfolio Growth/Diminution for CPFA as at 31 December 2014

During the year under review the new funds injected into the CPFA Funds by Scheme Sponsors and new contributions made by members in Defined Contribution Schemes amounted to ₦54.16 Billion; which was higher than the amount of ₦47.18 Billion injected in 2013.

The total Interests/Coupons received for 2014 was ₦44.50 Billion, and represented an increase of ₦4.53 Billion (11.33 percent) over the interest income of ₦39.97 Billion recorded in 2013. This resulted primarily from an increase in the absolute value of fixed income investments of CPFAs' portfolios.

Same with the RSA Funds, the CPFA Funds recorded huge unrealized losses on equity investments in 2014, compared to unrealized gains recorded in 2013.

Table 3.19: Sources of CPFA Portfolio Growth for 2014

| SOURCES OF GROWTH | 2014 | 2013 | Variance | |
|---|--------------|--------------|----------------|----------------|
| | ₦ Billion | ₦ Billion | ₦ Billion | % |
| New Contributions/Funds Injected by the Scheme Sponsors | 54.16 | 46.08 | 8.08 | 17.53 |
| Interest/Coupon Income | 44.50 | 39.97 | 4.53 | 11.33 |
| Dividend Income | 7.49 | 4.15 | 3.34 | 80.48 |
| Rental Income | 4.72 | 3.29 | 1.43 | 43.47 |
| Net Unrealized Gains/(Losses) on Equities | (21.20) | 36.05 | (57.25) | (158.81) |
| Net Realized Gains/(losses) on Equities & Bonds | 3.28 | 2.61 | 0.67 | 25.67 |
| Payment of Retirement Benefits | (46.67) | (31.16) | (15.51) | 49.78 |
| Asset Based Fees | (4.09) | (3.44) | (0.65) | 18.90 |
| Other Charges & Expenses (Taxes) | (1.98) | (11.40) | 9.42 | (82.63) |
| Total | 40.21 | 86.15 | (45.94) | (53.33) |

3.8.2 Portfolio Performance of the CPFA Fund

The performances of the CPFA Funds in 2014 were reflective of their individual exposure to equity/equity fund investments. It should be highlighted that most CPFA Funds had relatively high exposure to variable income securities, in line with the demographic distribution of their members. Thus, their performances in 2014 ranged between 3 percent and 12 percent; in contrast to the average rate of return of 20 percent recorded in 2013.

3.8.3 Review of CPFAs' Portfolios

(a) Domestic and Foreign Ordinary Shares

The value of domestic ordinary share investments was ₦85.76 Billion, as at 31 December 2014 accounting for 12.94 percent of CPFAs' total portfolio value, which was lower than the portfolio value of ₦112.41 Billion as at 31 December 2013.

Equity investments and the Consumer Goods sub-sector were the highest amongst all sub-sectors, accounting for 50.00 percent of domestic equity investments. Other significant investments were in Financial Services (32.00 percent); Industrial goods (10.00 percent); Conglomerates (4.00 percent) and Oil & Gas (2.00 percent).

Furthermore, the value of foreign equity investments grew by 13.18 percent (N6.93 Billion) from N52.57 Billion as at 31 December, 2013, to N59.50 Billion as at 31 December, 2014. It should be noted that only one CPFA maintained investments in foreign equities. (Black Rock World Index Sub-Fund and Black Rock Emerging Markets Index Sub-Fund).

(b) Federal Government of Nigeria (FGN) Securities

Investments in Federal Government Securities (Bonds and Treasury Bills) were valued at N279.51 Billion as at 31/12/14 and accounted for 42.19 percent of CPFAs total portfolio value, when compared with the value of N230.06 Billion (36.95 percent) as at 31/12/13.

Table 3.20: Term to Maturity Profile of FGN Bonds Held by CPFAs in 2014

| FGN SECURITIES | TOTAL VALUE N Billion | Weight % |
|-----------------------|----------------------------------|---------------------|
| 0 - 3yrs | 51.71 | 26.42 |
| 3yrs - 5yrs. | 70.67 | 36.10 |
| 5yrs - 10yrs | 50.28 | 25.69 |
| Above 10yrs. | 23.08 | 11.79 |
| TOTAL BONDS | 195.74 | 100.00 |

The distribution of FGN Securities as shown in Table 3.20 indicated that most investments were in FGN Bonds with term to maturity of below 5 years (62.52 percent). This could be attributed to the CPFA's strategy to invest at the short-end of the market in order to adequately manage interest rate risks. Also, investment in Treasury Bills (TBs) amounted to N83.76 Billion, with an average yield of 12.41 percent annually.

(c) State Government Securities

The value of investments in State Government Bonds was N11.72 Billion as at 31 December 2014, representing a 22.38 percent decrease over the value of investments of N15.10 Billion recorded in 2013. The decrease was attributed to maturity of the Lagos State Government Bond 13.00percent (Series I) in September 2014. The Lagos State Government Bond (Series I and II) had the highest investment as it accounted for 84.86 percent of total investments in State Government Bonds by CPFAs. Details of CPFAs' investment in State Government Bonds as at 31 December 2014 are provided in Table 3.21.

Table 3.21: CPFA Investment in State Government Bonds

| STATE GOVTS | CREDIT RATING | COUPON RATE (%) | TENOR (Years) | MATURITY DATE | MARKET VALUE OF INVESTMENT (N 'Million) | WEIGHT (%) |
|------------------------|---------------|-----------------|---------------|---------------|---|---------------|
| BAYELSA | A | 13.75 | 7 | 30/06/2017 | 794.72 | 6.78 |
| DELTA | A | 14.00 | 7 | 30/09/2018 | 707.14 | 6.03 |
| KADUNA | A | 12.50 | 5 | 31/08/2015 | 273.13 | 2.33 |
| LAGOS STATE (SERIES 1) | A | 14.50 | 7 | 22/11/2019 | 8,017.38 | 68.41 |
| LAGOS STATE (SERIES 2) | A | 10.00 | 7 | 19/04/2017 | 1,837.54 | 15.68 |
| LAGOS STATE (SERIES 2) | A | 13.75 | 7 | 19/11/2020 | 90.00 | 0.77 |
| TOTAL BOND | | | | | 11,719.92 | 100.00 |

(d) Others

Investments in Corporate Debt Securities was ₦34.14 Billion (5.15 percent of CPFA Fund Value) as at 31/12/14, which was an increase of ₦6.37 Billion (22.94 percent), over the value of ₦27.77 Billion as at 31/12/13. The increase was attributed to additional investments made in the Eurobonds of First Bank and GTB, as well as new investments in the Barclays Bank 5.75 percent GBP Bonds 2020.

Investments in real estate properties was valued at ₦126.28 Billion (19.06 percent of total CPFA Funds) as at 31/12/14, representing an increase of ₦2.55 Billion (2.06 percent) over the 2013 value of ₦123.73 Billion. The increase was mainly due to revaluation surpluses.

Cash & Other assets was in debit of ₦294 million as at 31/12/14. The cash balances are made up of recently matured tenured deposits, cash provisions to meet the liquidity requirements of the Funds for payment of monthly pensions to retirees, as well as other contingencies. The negative balance was as a result of huge contingent liabilities accrued by Shell CPFA.

3.9 Review of Portfolios of the Approved Existing Schemes (AES)

The Net Assets Value of Approved Existing Schemes (AES) increased to ₦654.82 Billion as at 31 December 2014, from ₦641.90 Billion on 31 December, 2013, and indicated a 2.01 percent net growth. The net increase in the value of assets was primarily attributed to new contributions/funds injected by Scheme Sponsors, investment income, and revaluation surplus on real estate properties. This increase was however depressed by unrealized losses on equity investments. Table 3.22, provides a summary of the assets allocation of the AES Funds for the year ended 31 December 2014 as well as comparative figures for 2013.

Table 3.22: Portfolio of AES Funds as at 31 December 2014

| S/N | Asset Class | 2014 | | 2013 | | Variance between 2014 & 2013 | |
|-----|-------------------------------|---------------|---------------|---------------|---------------|------------------------------|-------------|
| | | ₦ Billion | % | ₦ Billion | % | ₦ Billion | % |
| 1 | Quoted Ordinary Shares | 115.62 | 17.66 | 142.01 | 22.12 | (26.39) | (18.58) |
| 2 | Federal Government Securities | 313.53 | 47.88 | 306.01 | 47.67 | 7.52 | 2.46 |
| 3 | State Government Securities | 26.67 | 4.07 | 30.02 | 4.68 | (3.35) | (11.16) |
| 4 | Corporate Debt Securities | 24.27 | 3.71 | 16.43 | 2.56 | 7.84 | 47.72 |
| 5 | Money Market Instruments | 77.98 | 11.91 | 66.93 | 10.43 | 11.05 | 16.51 |
| 6 | Open/Closed End Funds | 2.21 | 0.34 | 2.90 | 0.45 | (0.69) | (23.79) |
| 7 | Real Estate Properties | 87.23 | 13.32 | 68.59 | 10.69 | 18.64 | 27.18 |
| 8 | Cash & Other Assets | 7.30 | 1.11 | 9.01 | 1.40 | (1.71) | (18.98) |
| | Total | 654.81 | 100.00 | 641.90 | 100.00 | 12.91 | 2.01 |

3.9.1 Sources of Portfolio Growth/Diminution

The detailed sources of portfolio growth for the AES Funds in 2014 are presented in Table 3.23.

Table 3.23: Sources of Portfolio Growth for AES Funds

| S/N | SOURCES OF GROWTH | 2014 | 2013 | Variance Between 2013 & 2014 | |
|-----|---|--------------|--------------|------------------------------|----------------|
| | | ₦ Billion | ₦ Billion | ₦ Billion | % |
| 1 | New Contributions/Funds Injected by the Scheme Sponsors | 104.13 | 29.60 | 74.53 | 251.79 |
| 2 | Interest/Coupon Income | 42.96 | 56.64 | (13.68) | (24.15) |
| 3 | Dividends Received | 6.65 | 4.45 | 2.20 | 49.44 |
| 4 | Rental Income | 0.10 | 0.41 | (0.31) | (75.61) |
| 5 | Revaluation Surplus on Real Estate Properties | 17.60 | 0.15 | 17.45 | 11,633.33 |
| 6 | Net Unrealized Gains/(Losses) | (27.91) | 38.11 | (63.86) | (167.57) |
| 7 | Net Realized Gains/(Losses) | 2.24 | 4.26 | (2.02) | (47.42) |
| 8 | Payment of Retirement Benefits | (75.66) | (31.19) | (44.47) | 142.58 |
| 9 | Asset Based Fees/Other Charges | (6.21) | (6.79) | (0.86) | 12.67 |
| 10 | Transfers of Legacy Assets to RSA 'Active' Fund | (51.71) | 0.00 | (51.71) | - |
| | Total Growth | 12.91 | 95.64 | (82.73) | (86.50) |

The major source of growth for the AES Schemes was the injection of ₦104.13 Billion into the Funds by Scheme Sponsors, to bridge funding deficits as well as remittances of monthly employer and employee contributions for schemes that operate the Defined Contributory Scheme.

Another major source of growth during the year was investment incomes, which amounted to ₦42.96 Billion, representing a decrease of ₦13.68 Billion compared to the interest income figure of ₦56.64 Billion recorded in 2013. The reduced interest income was partly due to reduced portfolio assets, arising from transfers of benefits of ₦50.92 Billion to the RSAs of Members, who had joined the Contributory Pension Scheme. Dividends received on investment in ordinary shares were ₦6.65 Billion, which was significantly higher than the dividend income of ₦4.45 Billion received in 2013.

The AES Schemes recorded net unrealized losses on investments in equities/equity funds of ₦25.75 Billion in 2014, compared to the net unrealized gains of ₦38.11 Billion recorded in 2013. The net realized gains on sale of equity and bonds totalled ₦2.24 Billion as at 31 December 2014, compared to the net realized gains of ₦4.26 Billion recorded in 2013. This was attributed to some AES Funds that sold part of their equity investments, in order to rebalance their portfolios and reduce their exposure to variable income securities.

The total Asset/Income Based Fees paid was ₦4.81 Billion, while other charges amounting to ₦680 Million represented statutory charges and other charges on investment.

3.9.2 Portfolio Performance

The Rate of Return on the AES Funds ranged between -1.69 percent and 15.74 percent, depending on the Funds' level of exposure to variable income securities. This was a much lower performance compared to the performance recorded in 2013, where the returns ranged between 6.63 percent and 24.00 percent. However, the huge unrealized losses on the equity portfolio were slightly cushioned by interest income, as yields on bonds and deposit rates on money market instruments were relatively high during the year.

3.9.3 Review of AES Portfolios

(a) Domestic Quoted Equities

The value of investments in quoted ordinary shares was ₦115.62 Billion as at 31 December, 2014, accounting for 18.00 percent of the total AES Funds under management. This was lower than the portfolio value of ₦142.01 Billion recorded in the preceding year. The decrease in the value of ordinary shares was primarily due to market valuations, reflected by the steady decline in stock market indicators. This was reflected by the performance of the key stock market indicators, the NSE ASI and Market Capitalization, which declined by 16.14 percent and 13.23 percent, respectively, in 2014.

Investment in the Financial Sub-sector was the highest amongst all sub sectors, accounting for 37.00 percent of equity investments. Other significant investments were in Consumer Goods (32.00 percent), Industrial Goods (14.00 percent) and Oil & Gas (6.00 percent).

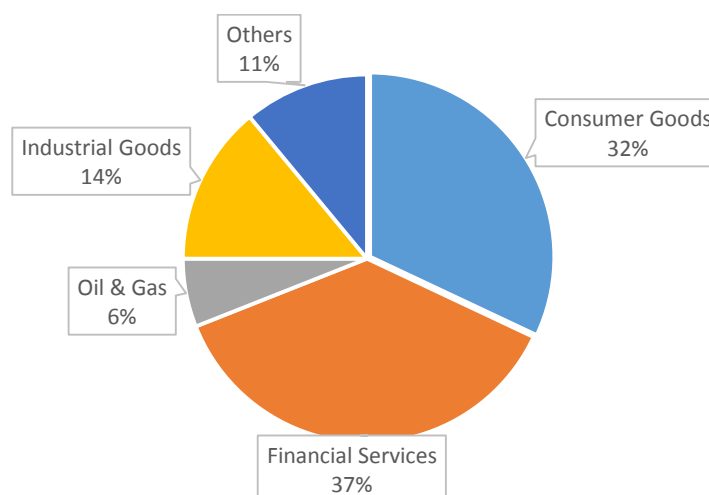


Fig.3.6: Breakdown of Investments in Ordinary Shares by AES Funds

(b) Federal Government of Nigeria (FGN) Securities

As at 31 December 2014, investment in Federal Government Securities were valued at ₦313.53 Billion, which was 48.00 percent of portfolio value. This constituted the largest assets allocation within the portfolios' asset mix.

Table 3.24: Term to Maturity Profile of FGN Bonds

| S/N | Term to Maturity (Bonds) | Amount | % of Govt. Securities |
|-----|--------------------------|---------------|-----------------------|
| 1 | Below 3years | 22.91 | 9.88 |
| 2 | 3years – 5years | 48.42 | 20.88 |
| 3 | Above 5years – 10yrs | 90.24 | 38.92 |
| 4 | Above 10years | 70.29 | 30.31 |
| | Total Bonds | 231.86 | 100.00 |

Table 3.24 above. The distribution of FGN Bonds as shown in the table, indicated that most investments were in FGN Bonds with TTM above 5years, constituting 69.23 percent of total FGN Bonds. However, there was a reasonable spread across the various tenor buckets. Investment in Treasury Bills was ₦81.67 Billion with an average yield of 12.41 percent per annum.

(c) State Government Securities

The value of investments in State Government Bonds was ₦26.67Bbillion as at 31 December 2014, and a decrease of ₦3.35 Billion, of the value of investments of ₦30.02 Billion in 2013. The decrease was due to redemption of Lagos, Kwara and Niger State Government Bonds at maturity.

Table 3.25: Investments by AES Funds in State Government Bonds

| STATE GOVERNMENTS | CREDIT RATING | COUPON RATE (%) | TENOR (Years) | MATURITY DATE | MARKET VALUE OF INVESTMENT (₦ Billion) | WEIGHT (%) |
|------------------------|---------------|-----------------|---------------|---------------|--|---------------|
| BAYELSA | A | 13.75 | 7 | 30/06/2017 | 1.52 | 5.70 |
| DELTA | A | 14.00 | 7 | 30/09/2018 | 3.43 | 12.88 |
| EBONYI | A | 13.50 | 5 | 30/09/2015 | 0.24 | 0.91 |
| IMO STATE | A | 15.50 | 7 | 30/06/2016 | 1.30 | 4.87 |
| KADUNA STATE | A | 12.50 | 5 | 31/08/2015 | 0.15 | 0.56 |
| LAGOS STATE (SERIES 1) | A | 14.50 | 7 | 22/11/2019 | 2.23 | 8.35 |
| LAGOS STATE (SERIES 2) | A | 10.00 | 7 | 19/04/2017 | 7.04 | 26.41 |
| LAGOS STATE (SERIES 2) | A | 13.75 | 7 | 27/11/2020 | 7.02 | 26.34 |
| NIGER STATE (SERIES 1) | A | 14.00 | 7 | 26/09/2018 | 0.91 | 3.41 |
| OSUN STATE | A | 14.75 | 7 | 12/12/2019 | 2.81 | 10.56 |
| TOTAL BOND | | | | | 26.67 | 100.00 |

As shown in Table 3.25, investments in bonds issued by Lagos State Government accounted for 61.10 percent of total investment in State Government Bonds by the AES Funds. Other major investments were in bonds issued by Delta State (12.88 percent), Osun State (10.56 percent), Bayelsa State (5.70 percent) and Imo State (4.87 percent).

(c) Breakdown of Investment in Corporate Bonds by AES Funds

Investment in Corporate Debt Securities totalled ₦24.27 Billion as at 31 December, 2014, accounting for 3.71 percent of Fund Value. This represented a 47.71 percent growth over the value of ₦16.43 Billion recorded in the previous year. The increase was as a result of investments in new bond issues in 2014.

There were three new corporate bond issues that qualified for pension fund investments, namely, Fidson, First City Monument Bank (FCMB), StanbicIBTC and UBA Bonds. These bonds were issued at coupon rates of 15.50 Percent, 14.25 percent, 13.25 percent and 16.45 percent, respectively.

The distribution of pension fund investments in these bonds as at 31 December, 2014 is given in Table 3.26.

Table 3.26: AES' Investment in Corporate Bonds as at 31 December 2014

| S/N | Name of Issuer | Maturity Date | Tenor (years) | Coupon (%) | Total RSA 'Active' Investment | Weight % |
|-----|-------------------|---------------|---------------|------------|-------------------------------|---------------|
| | | | | | ₦ Million | |
| 1 | FCMB SPV | 11/7/2021 | 7 | 14.25 | 2.39 | 9.85 |
| 2 | Fidson Healthcare | 7/11/2019 | 5 | 15.50 | 0.23 | 0.93 |
| 3 | Flour Mills | 12/9/2015 | 5 | 12.00 | 0.09 | 0.37 |
| 4 | FMBN SPV | 4/4/2017 | 5 | 17.25 | 0.78 | 3.20 |
| 7 | UBA Plc 16.5% | 30/12/2021 | 7 | 16.45 | 5.23 | 21.55 |
| 8 | UBA Plc 14% | 20/09/2018 | 7 | 14.00 | 8.38 | 34.51 |
| 9 | UBA 13% | 30/9/2017 | 7 | 13.00 | 2.24 | 9.22 |
| 10 | UPDC Plc | 17/8/2015 | 5 | 10.00 | 2.28 | 9.39 |
| 11 | UACN Plc | 17/08/2015 | 5 | 10.00 | 2.24 | 9.21 |
| 12 | STANBIC IBTC BANK | 30/9/2024 | 10 | 13.25 | 0.43 | 1.78 |
| | Total | | | | 24.27 | 100.00 |

(d) Others

Domestic Money Market investments were valued at ₦77.98 Billion which was 11.91 percent of AES Fund value as at 31 December, 2014, representing an increase of 16.51 percent when compared to the value of ₦66.93 Billion recorded in the preceding year. The Money Market investments were in 15 banks, which all met the minimum quality requirement for pension fund assets.

The investments in Open/Closed End Funds were valued at ₦2.21 Billion, which accounted for 0.34 percent of the total AES Fund value in the year under review. This represented a decrease of 23.79 percent when compared to the value of investments of ₦2.90 Billion recorded in 2013. The decrease was due to the depreciation in the market values of investments in Mutual Funds, as a result of the diminution in stock prices in 2014, since most of the Open-ended Funds were equity-based Funds. The highest investment was made in StanbicBTC Ethical Fund, which accounted for 28.95 percent of total investments in Open Close-end Funds. Other major investments were in the ARM Aggressive Growth Fund (24.43 percent) and Nigeria International Debt Fund (6.33 percent).

Investments in real estate properties were valued at ₦87.23 Billion (13.32 percent of total Funds) as at 31 December 2014, representing an increase of ₦18.64 Billion (27.18 percent), compared to the value of ₦68.59 Billion as at 31 December 2013. The increase was primarily due to re-valuation surplus, rental incomes and new transfers of legacy real estate assets by some Scheme Sponsors.

Un-invested cash was ₦7.30 billion, which represented matured investments awaiting re-investment as at 31 December 2014 as well as cash provisions to meet liquidity requirements of the AES Funds.

3.10 Processing Retirement/Terminal Benefits

3.10.1 Programmed Withdrawal

The total number of retirees on Programmed Withdrawal increased from 79,624 in 2013 to 103,081 as at 31 December 2014. This represented an increase of (29.46 percent). As shown in Table 3.27, a breakdown of the total number of retirees shows that while the Federal Government of Nigeria (FGN) accounted for 74,529 retirees (72.30 percent), the States accounted for 5,430 retirees at (5.27 percent) while the Private Sector accounted for 23,122 (22.43 percent) retirees during the year under review.

Table 3.27: Number of Retirees on Programmed Withdrawal

| Year | 2012 | | 2013 | | 2014 | |
|----------------|---------------|------------|---------------|------------|----------------|-------------|
| Sector | Number | Weight (%) | Number | Weight (%) | Number | (%)of Total |
| FGN | 48,671 | 82.35 | 62,236 | 78.16 | 74,529 | 72.30 |
| State | 1,427 | 2.41 | 3,209 | 4.03 | 5,430 | 5.27 |
| Private | 9,006 | 15.24 | 14,179 | 17.81 | 23,122 | 22.43 |
| Total | 59,104 | 100 | 79,624 | 100 | 103,081 | 100 |

Table 3.28 shows the total Lump-sum paid and the monthly Programmed Withdrawals from inception to 2012 and then for the years 2013 and 2014. The sum of ₦47.03 billion and ₦634.24 million were paid as total Lumpsum and monthly pensions respectively for the year 2013, while the sum of ₦47.47 billion and ₦756.80 million were paid as total Lumpsum and monthly pension respectively for the year 2014. The cumulative average monthly Programmed Withdrawal from inception to 31 December, 2014 was ₦3.29 billion, while the cumulative Lumpsum paid from inception to date was ₦249.77 billion.

Table 3.28: Amounts paid to Retirees on Programmed Withdrawal from Inception

| Sector | No of Retirees | | | | | |
|---------------------------|----------------|--------------|---------------|----------------|-------------------------------------|---------------------|
| | FGN | State | Private | Total | Average Monthly Pension (₦ Million) | Lumpsum (₦ Million) |
| Cumulative to 2012 | 48,671 | 1,427 | 9,006 | 59,104 | 1,813.72 | 155,271.26 |
| 2013 | 13,565 | 1,782 | 5,173 | 20,520 | 634.24 | 47,029.67 |
| 2014 | 12,293 | 2,221 | 8,943 | 23,457 | 756.80 | 47,472.78 |
| Total | 74,529 | 5,430 | 23,122 | 103,081 | 3,204.76 | 249,773.71 |

3.10.2 Retirement by Annuity

The total number of retirees on Annuity increased from 7,499 in 2013 to 14,062 as at 31 December 2014. This represented an increase of (87.52 percent) over the 2013 figures. As shown in Table 3.28, the Federal Government of Nigeria (FGN) retirees were 9,650 (68.63 percent), the States retirees were 1,255 (8.92 percent) while the Private Sector retirees were 3,157 (22.45 percent) as at the end of the

year. A comparison of the number of retirees showed that (12 percent) of the retirees were under Annuity, while (88 percent) were under Programmed Withdrawal.

Table 3.29: Number of Retirees on Annuity

| Year | 2012 | | 2013 | | 2014 | |
|----------------|--------------|------------|--------------|------------|---------------|------------|
| Sector | Number | Weight (%) | Number | Weight (%) | Number | % of Total |
| FGN | 1,850 | 76.01 | 5,982 | 79.78 | 9,650 | 68.63 |
| State | 389 | 15.98 | 754 | 10.05 | 1,255 | 8.92 |
| Private | 195 | 8.01 | 763 | 10.17 | 3,157 | 22.45 |
| Total | 2,434 | 100 | 7,499 | 100 | 14,062 | 100 |

Table 3.30: Retirees on Annuity from Inception in relation to Amounts Paid

| Sector | No. of Retirees | | | | | | |
|---------------------------|-----------------|--------------|--------------|---------------|-------------------------|---------------------|---------------------|
| | FGN | State | Private | Total | Average Monthly Annuity | Lumpsum (₦ Million) | Premium (₦ Million) |
| Cumulative to 2012 | 1,850 | 389 | 195 | 2,434 | 118.06 | 7,984.69 | 12,089.42 |
| 2013 | 4,132 | 365 | 568 | 5,065 | 249.44 | 8,343.19 | 24,745.25 |
| 2014 | 3,668 | 501 | 2,394 | 6,563 | 324.39 | 8,023.63 | 32,623.81 |
| Total | 9,650 | 1,255 | 3,157 | 14,062 | 691.89 | 24,351.51 | 69,458.48 |

Table 3.30 shows the total premium paid, average monthly annuity and lumpsum withdrawals from inception to 2012, as well as the figures for 2013 and 2014. The sums of ₦249.44 million, ₦8.34 billion and ₦24.75 billion were paid as average monthly Annuity, total Lumpsum and total Premium respectively in 2013, while the sums of ₦324.39 million, ₦8.02 billion and ₦32.62 billion were paid as average monthly annuity, total lumpsum and premium respectively in 2014. The cumulative average monthly annuity to retirees from inception to the end of 2014 during the same period was ₦691.89 million, after collecting a cumulative lumpsum of ₦24.35 billion. The total premium transferred to Insurance Companies was ₦69.46 billion. The amounts of lumpsum paid to retirees in the year under review were lower than the previous year, even though the number of retirees had increased. This was due to the transfer of some retirees from Programmed Withdrawal to Life Annuity after collecting their lumpsum.

3.10.3 Withdrawal of 25 percent of RSA Balances

During the year under review, approvals were granted for payment of 25% RSA balances totalling ₦8.07 billion to 24,145 RSA holders of which 994 were from the FGN, 684 from States and 22,467 from the Private Sector. The beneficiaries were those who disengaged/retired before the age of 50 years and have stayed for at least four months without securing another employment. It should, however, be noted that many of these requests largely came from junior employees of construction companies whose jobs were normally terminated at the end of a contract.

Table 3.31: Withdrawal of 25% of RSA Balance for the Year 2014

| Sector | No of RSA Holders | | | | Amount (₦ Million) |
|---------------------------|-------------------|------------|---------------|---------------|-----------------------|
| | FGN | State | Private | Total | |
| Cumulative to 2012 | 1,980 | 49 | 46,399 | 47,778 | 18,085.09 |
| 2013 | 711 | 45 | 23,379 | 24,135 | 5,467.35 |
| 2014 | 994 | 684 | 22,467 | 24,145 | 8,069.35 |
| TOTAL | 3,685 | 778 | 92,245 | 96,058 | 31,621.69 |

From inception to date, a total of 96,058 RSA holders in this category had collected a cumulative amount of ₦31.62 billion as seen in Table 3.31 above.

3.10.4 Payments on Medical Grounds

Payments on medical grounds relate to the benefits of those who retired from employment on medical grounds as certified by a qualified physician or Medical Board. In this regard, the sum of ₦43.15 million and ₦0.45 million were approved as lumpsum and monthly pension respectively to 41 RSA holders from both the public and private sectors in 2014. Cumulatively, there were 283 retirees in this category from inception to the end of the period under review who had collected the total sum of ₦119.13 million as lumpsum with an average monthly pension of ₦18.19 million as seen in Table 3.32.

Table 3.32: Payment of Benefits to Retirees on Medical Grounds

| Sector | No of Retirees | | | | Lumpsum (N Million) | Monthly (N Million) |
|---------------------------|----------------|----------|------------|------------|------------------------|------------------------|
| | FGN | State | Private | Total | | |
| Cumulative to 2012 | 24 | 1 | 156 | 181 | 46.68 | 17.13 |
| 2013 | 14 | 1 | 46 | 61 | 29.3 | 0.61 |
| 2014 | 10 | 0 | 31 | 41 | 43.15 | 0.45 |
| Total | 48 | 2 | 233 | 283 | 119.13 | 18.19 |

3.10.5 Payments to Foreign Nationals

During the year under review, approvals were granted for en bloc payment of RSA balances amounting to ~~N~~2.85 billion to 11,496 retirees whose Pension assets were insufficient to fund 50 percent of their last emoluments. Breakdown of these payments are provided in Table 3.33.

Table 3.33: Payment of Retirement Benefits to Foreign Nationals

| Sector | No of Retirees | | | | | Amount (N Million) |
|---------------------------|----------------|------------|---------------|---------------|---------------|-----------------------|
| | FGN | State | Private | Total | % of Total | |
| Cumulative To 2012 | 4,614 | 62 | 22,455 | 27,131 | 56.68 | 5,419.87 |
| 2013 | 379 | 28 | 8,980 | 9,387 | 19.61 | 2,495.03 |
| 2014 | 367 | 331 | 10,798 | 11,496 | 24.01 | 2,850.13 |
| Total | 5,360 | 421 | 42,233 | 48,014 | 100.00 | 10,765.03 |

3.10.6 Death Benefits Payment

During the year under review, applications for the claims of death benefits of 7,890 deceased employees of the FGN, State and Private organizations amounting to ~~N~~23.45 billion were approved. The cumulative amount paid to beneficiaries of deceased RSA holders from inception to December 2014 amounted to ~~N~~72.74 billion. The breakdown of these payments is presented in Table 3.34.

Table 3.34: Death Benefits Payment

| Sector | No of Retirees | | | | Amount (N Million) |
|---------------------------|----------------|------------|--------------|---------------|-----------------------|
| | FGN | State | Private | Total | |
| Cumulative To 2012 | 7,195 | 78 | 1,842 | 9,115 | 24.16 |
| 2013 | 7,532 | 93 | 1,291 | 8,916 | 25.13 |
| 2014 | 6,159 | 402 | 1,329 | 7,890 | 23.45 |
| Total | 20,886 | 573 | 4,462 | 25,921 | 72.74 |

3.10.7 Life Insurance Policy for Employees

Evidences of Implementation of Group life Insurance Policy for employees were received from the following sector organisations/institutions.

Table 3.35: Submission of Group Life Insurance Certificates for the year 2014

| S/No | Sector | Number of Submissions |
|------|--------------------------|-----------------------|
| 1 | Financial Institutions | 157 |
| 2 | Educational Institutions | - |
| 3 | Construction | 140 |
| 4 | Oil & Gas | 5 |
| 5 | Manufacturing | 46 |
| 6 | Hospitality | 30 |
| 7 | Pension Operators | 24 |
| 8 | Commercial | 189 |
| | Total | 501 |

CHAPTER FOUR

PENSION OPERATORS STATISTICS

4.1 RSA Registration by PFA

The PFAs registered a total number of 6,251,796 RSA holders as at 31 December, 2014 as illustrated in Table 4.1. An analysis of the membership by PFAs shows that Stanbic IBTC PFA had the highest number of membership with 25.67 percent of the total registration. Trustfund Pensions Plc and Sigma Pensions Limited followed with 9.52 percent and 9.48 percent respectively. IGI Pension Fund Managers and Apt Pension Fund Managers Limited registered 0.06 percent and 0.40 percent RSA holders respectively.

Table 4.1 RSA Registrations by PFA as at 31 December 2014

| S/N | PFA | Total RSA Registration | Weight (%) |
|-----|--|------------------------|---------------|
| 1 | AIICO Pension Managers | 238,186 | 3.81 |
| 2 | Apt Pension Fund Managers Limited | 25,173 | 0.40 |
| 3 | ARM Pension Manager Limited | 533,323 | 8.53 |
| 4 | Crusader Sterling Pension Limited | 229,393 | 3.67 |
| 5 | Fidelity Pension Managers Limited | 80,166 | 1.28 |
| 6 | First Guarantee Pension Limited | 217,398 | 3.48 |
| 7 | Future Unity Glanvills Pensions Limited | 41,008 | 0.66 |
| 8 | IEI-Anchor Pension Fund Managers Limited | 74,726 | 1.20 |
| 9 | IGI Pension Fund Managers Limited | 3,933 | 0.06 |
| 10 | Investment ONE Pension | 35,192 | 0.56 |
| 11 | Leadway Pensure PFA Limited | 420,142 | 6.72 |
| 12 | Legacy Pension Managers Limited | 285,313 | 4.56 |
| 13 | NLPC Pension Fund Administrators Ltd | 192,214 | 3.07 |
| 14 | Oak Pensions Limited | 121,244 | 1.94 |
| 15 | Penman Pensions Limited | 51,971 | 0.83 |
| 16 | Pension Alliance Limited | 390,340 | 6.24 |
| 17 | Premium Pension PFA | 518,918 | 8.30 |
| 18 | Sigma Pensions Limited | 592,960 | 9.48 |
| 19 | Stanbic IBTC Pension Manager Limited | 1,604,775 | 25.67 |
| 20 | Trustfund Pensions PLC | 595,421 | 9.52 |
| | Total | 6,251,796 | 100.00 |

A look at additional classification of RSA registrations by the PFAs ranking indicates that the top 3 PFAs accounted for 44.68 percent of total RSA registrations as demonstrated in Table 4.2. The top 5 and 10 PFAs accounted for 61.51 and 86.52 percent proportion of the total RSA registrations respectively.

Table 4.2: RSA Registrations by Rank of PFAs

| Rank | Total | Percentage of Total |
|-------------|--------------|----------------------------|
| Top 3 | 2,793,156 | 44.68 |
| Top 5 | 3,845,397 | 61.51 |
| Top 10 | 5,408,771 | 86.52 |
| Bottom 3 | 64,298 | 1.03 |
| Bottom 5 | 157,277 | 2.52 |
| Bottom 10 | 843,025 | 13.48 |

Similarly, Table 4.2 shows that the bottom 3 PFAs represented 1.03 percent of total RSA registration. The bottom 5 and 10 PFAs accounted for 2.52 and 13.48 percent respectively during the review period.

4.2 Pension Fund Assets under Management by PFA

The analysis of total RSA fund assets under management revealed that Stanbic IBTC PFA had the largest proportion accounting for 37.23 percent of total pension assets as at 31 December, 2014 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 54.20 percent of total pension fund assets under their management as shown in Table 4.4. The Table further shows that ten PFAs accounted for 90.52 percent of total pension fund assets under management in the reporting period.

This indicates that the remaining 10 PFAs accounted for 9.48 percent of total pension fund assets under management. While the bottom 3 and 5 PFAs accounted 0.46 and 1.54 percent respectively of the total pension fund assets under the management.

Table 4.3: Pension Fund Assets under the Management of PFAs

| S/N | Pension Fund Administrator | RSA "Active" (N Million) | RSA "Retiree" (N Million) | Total (N Million) | Weight (%) |
|-----|--|-----------------------------|---------------------------------|----------------------|---------------|
| 1 | AIICO Pension Managers | 42,300.55 | 3,133.31 | 45,433.86 | 1.42 |
| 2 | APT Pension Fund Managers Limited | 21,305.45 | 805.57 | 22,111.02 | 0.69 |
| 3 | ARM Pension Managers Limited | 273,516.70 | 28,237.61 | 301,754.31 | 9.41 |
| 4 | Crusader Sterling Pension Limited | 97,166.33 | 14,676.70 | 111,843.03 | 3.49 |
| 5 | Fidelity Pension Managers Limited | 21,591.67 | 638.08 | 22,229.75 | 0.69 |
| 6 | First Guarantee Pension Limited | 89,441.78 | 16,039.88 | 105,481.66 | 3.29 |
| 7 | Future Unity Glanvills Pensions Limited | 24,669.64 | 3,026.20 | 27,695.84 | 0.86 |
| 8 | IEI-Anchor Pension Managers Limited | 14,651.17 | 1,187.06 | 15,838.23 | 0.49 |
| 9 | IGI Pension Fund Managers Limited | 597.12 | 40.76 | 637.88 | 0.02 |
| 10 | Investment ONE Pensions Limited | 2,825.13 | 1,002.81 | 3,827.94 | 0.12 |
| 11 | Leadway Pensure PFA Limited | 150,835.24 | 15,612.95 | 166,448.19 | 5.19 |
| 12 | Legacy Pension Managers Limited | 92,667.02 | 12,186.20 | 104,853.22 | 3.27 |
| 13 | NLPC Pension Fund Administrators Limited | 95,543.76 | 16,265.07 | 111,808.83 | 3.49 |
| 14 | Oak Pensions Limited | 34,964.86 | 2,667.68 | 37,632.54 | 1.17 |
| 15 | Penman Pensions Limited | 7,458.29 | 333.98 | 7,792.27 | 0.24 |
| 16 | Pension Alliance Limited | 145,978.96 | 13,932.29 | 159,911.25 | 4.99 |
| 17 | Premium Pensions Limited | 270,144.54 | 39,725.35 | 309,869.89 | 9.66 |
| 18 | Sigma Pensions Limited | 193,041.34 | 37,690.56 | 230,731.90 | 7.20 |
| 19 | Stanbic IBTC Pension Managers Limited | 1,063,533.03 | 130,447.33 | 1,193,980.36 | 37.23 |
| 20 | Trustfund Pensions PLC | 200,050.49 | 26,702.68 | 226,753.17 | 7.07 |
| | TOTAL | 2,842,283.07 | 364,352.07 | 3,206,635.14 | 100.00 |

Table 4.4: Rank of PFAs Based on Pension Assets under Management

| Rank of PFA | RSA 'Active' | RSA 'Retiree' |
|-------------|--------------|---------------|
| Top 3 | 56.55 | 57.05 |
| Top 5 | 70.38 | 72.13 |
| Top 10 | 90.86 | 93.13 |
| Bottom 3 | 0.38 | 0.28 |
| Bottom 5 | 1.65 | 0.77 |
| Bottom 10 | 9.14 | 6.87 |

4.3 Pension Fund Contributions by PFA

A summary of the Pension Fund contributions received by PFAs suggest that a single PFA had 34.49 percent of total pension fund contributions from inception to the end of 2014. The position also shows that IGI Pension Fund Managers Limited and Investment ONE Pension Limited received 0.03 and 0.14 percent respectively of the total pension contributions as at 31 December, 2014 as shown in Table 4.5.

Table 4.5: Pension Fund Contribution by PFA

| S/N | PFA | Total (₦ Million) | % of Total |
|------------|--|------------------------------|-----------------------|
| 1 | AIICO Pension Managers | 46,044.63 | 1.72 |
| 2 | APT Pension Fund Managers Limited | 14,774.16 | 0.55 |
| 3 | ARM Pension Managers Limited | 242,326.82 | 9.08 |
| 4 | Crusader Sterling Pension Limited | 93,290.15 | 3.49 |
| 5 | Fidelity Pension Managers Limited | 18,110.87 | 0.68 |
| 6 | First Guarantee Pension Limited | 99,255.49 | 3.72 |
| 7 | Future Unity Glanvills Pensions Limited | 23,009.04 | 0.86 |
| 8 | IEI-Anchor Pension Managers Limited | 14,634.67 | 0.55 |
| 9 | IGI Pension Fund Managers Limited | 921.44 | 0.03 |
| 10 | Investment ONE Pensions Limited | 3,861.48 | 0.14 |
| 11 | Leadway Pensure PFA Limited | 139,490.36 | 5.23 |
| 12 | Legacy Pension Managers Limited | 127,723.77 | 4.78 |
| 13 | NLPC Pension Fund Administrators Limited | 83,984.89 | 3.15 |
| 14 | Oak Pensions Limited | 40,620.93 | 1.52 |
| 15 | Penman Pensions Limited | 7,561.32 | 0.28 |
| 16 | Pension Alliance Limited | 147,855.94 | 5.54 |
| 17 | Premium Pensions Limited | 283,505.71 | 10.62 |
| 18 | Sigma Vaughn Sterling Pension Limited | 158,510.17 | 5.94 |
| 19 | Stanbic IBTC Pension Managers Limited | 920,804.65 | 34.49 |
| 20 | Trustfund Pensions PLC | 203,356.55 | 7.62 |
| | Total | 2,669,643.04 | 100.00 |

A breakdown of PFAs ranking by the total pension contributions accumulated illustrates that the top 3 and the bottom 3 PFAs received 54.19 percent and 0.46 percent share of total pension contributions respectively as shown in Table 4.6 below.

Table 4.6: Pension Fund Contribution by Rank of PFA

| Rank of PFA | Total (N' Billion) | % of Total |
|--------------------|---------------------------|-------------------|
| Top 3 | 1,446.64 | 54.19 |
| Top 5 | 1,808.50 | 67.74 |
| Top 10 | 2,416.12 | 90.50 |
| Bottom 3 | 12.34 | 0.46 |
| Bottom 5 | 41.75 | 1.56 |
| Bottom 10 | 253.52 | 9.50 |

PART FIVE

5.0 OUTLOOK OF THE PENSION INDUSTRY

5.1 Regulatory and Supervisory Outlook of the Pension Industry in 2015

The Regulatory and Supervisory outlook of the pension industry in 2015 would be largely by three factors: the macroeconomic environment; the Pension Reform Act (PRA) 2014 that was signed into law on 1 July, 2014 as well as the Commission and Pension Industry Strategies that were developed in 2014. The outlook for the Nigerian Economy in 2015 is a likely decline in annual GDP to about 4.5% from 6.3% in 2014. The projected decline in GDP has been attributed to the vulnerability due to slow global economic recovery and the low oil price that could lead to sharp decline in fiscal revenues to the three tiers of government. The resultant effects of the falling prices is the anticipated possible surges in the volatility of the exchange rate, capital outflows and pressure on the rate of inflation. Thus, given the likely operating environment, the Pension Industry would be unfavourably impacted especially in expanding coverage and short term returns on pension fund investment.

Given the likely operating environment, the regulatory and supervisory outlook for 2015 would largely be determined by the PRA 2014 as the Commission implements its various new provisions. Thus, the implication for the Industry is that necessary frameworks and guidelines would be reviewed by the Commission to ensure that they are in line with the PRA 2014. Also, with the widening of the coverage to include organisations with less than three employees and the state/local governments, it is expected that there would be increased memberships. It is therefore envisaged that in 2015, the Commission would be restructured to foster participation of the informal sector. It would also lead to the enhancement of the Contribution Registration System and IT Storage to accommodate the complexity of the informal sector and growth in the coverage.

In the fourth Quarter of 2014, the Commission commenced the development of the Framework and User Requirement Specification (URS) for the development of a robust Contributor's Registration System embedded with AFIS to be called Pension Administration System (PAS). The PAS is expected to comprise of four (4) modules, namely, Registration Module, Transfer of RSA Module, Contributions Collection Module and the Pay-Out/Exit Module. The Framework and User Requirement Specification (URS) for Registration and RSA Transfer Modules of the PAS are expected to be completed in 2015.

In addition, the Commission would continue with the Issuance of Compliance Certificates and the engagement of the services of recovery agents to recover outstanding pension contributions and ensure Compliance of the Private Sector to

the PRA 2014. The Commission would also strengthen the awareness campaigns of the Contributory Pension Scheme and ensure excellent service delivery in the industry.

The Investment regulation would also be reviewed to accommodate the various risks appetites of the contributors by introducing the multi-fund system and guidelines would be developed to allow for the use of Pension Funds for Mortgage. Also guidelines would be developed for the Informal Sector participation in the CPS. The guideline would provide details of the eligibility requirement for participation.

The increased supervisory power of the Commission over the Pension Departments is expected to significantly impact on the performance of the Pension departments. The Pension Transitional Arrangement Directorate (PTAD) is expected to workout modalities to settle outstanding pension benefits of existing FGN pensioners who retired under the defunct defined benefit scheme in 2015.

5.1 The Pension Industry Strategy

To keep abreast with the expected growth and expansion in coverage of the Pension Industry, a 10 year Pension Industry Strategy plan was developed. The main thrust of the strategy is to consistently achieve excellence in service delivery; drive inclusive and expanded coverage; achieve a low cost and efficient industry; achieve positive real returns and visible impact on the economy; and ensure professional and qualified human capital.

In achieving excellence in service delivery, the industry will consistently meet defined industry service standards, such that contributors and retirees are highly satisfied with their experience; deliver seamless, responsive and personalized services leveraged on technology; and ensure prompt and timely payment of retirement benefits.

State Governments would be galvanized to fully adopt the Contributory Pension Scheme as prescribed by the Pension Reform Act 2014. In addition, the industry would engage in various sensitization programmes to drive awareness of the contributory Pension Scheme among various stakeholders, as efforts would be channelled to expand pension coverage to the Informal Sector and the organized private sector. The target is to ensure that by 2024, over 70% of Nigerians in this segment can participate in creating a retirement safety net.

To achieve a low cost and efficient industry, emphasis would be placed in ensuring that cost reduction benefits achieved are transferred to the contributors. It is envisaged that this would be achieved by leveraging on technology to ensure more

efficient processes. The use of third party agents to deliver centralized pension operational processes would be encouraged to enhance efficiency and reduce cost.

The Industry would partner with other regulators and investment professionals to ensure that the investment of Pension Funds in Infrastructure and other alternative assets do not put undue risks on Pension Funds' Assets. Therefore, Capacity building will be increased to ensure that the industry retains and develops qualified pension professionals to adequately manage the investments.

PART SIX: ADDRESSES AND PROFILES OF PENSION OPERATORS

6.1 Contact Details of Pension Fund Operators

Table 6.1: Pension Fund Administrators

| <i>S/N</i> | <i>Name of Operator</i> | <i>Managing Director</i> | <i>Address</i> | <i>Phone No.</i> | <i>E-mail and Web Addresses</i> |
|-------------------|------------------------------------|--|--|-------------------------|--|
| 1 | Aiico Pension Managers Limited | Eguarekhide J.Longe | Plot 2, Oba Akran Avenue, Ikeja Lagos | 08157306868 | elonge@aiicopension.com www.aiicopension.com |
| 2 | ARM Pension Managers (PFA) Limited | Sadiq Mohammed | 5, Mekunwen Road Off Onyinkan Abayomi Drive Ikoyi, Lagos | 08034021705 | sadq.mohammed@armpension.com www.armpension.com |
| 3 | Apt Pension Funds Managers Limited | Dr. Al-Mujtaba Abubakar | Federal Mortgage Bank House, Plot 266, Cadastral AO, Central Business District, Garki, Abuja | 08033146939 | gummia@aptpension.com www.aptpensions.com |
| 4 | Crusader Sterling Pensions Ltd | Adeniyi Falade | Plot 14, Keffi Street Off Awolowo Way Ikoyi, Lagos | 08058084953 | adeniyi.falade@crusaderpensions.com www.crusaderpensions.com |
| 5 | Fidelity Pension Managers Limited | Amaka Andy-Azke (Ag.MD/CEO) | 2 Adeyemo Alakija Street, Victoria Island, Lagos | 08033257523, | amaka.azike@fidelitypensionmanagers.com www.fidelitypensionmanagers.com |
| 6 | First Guarantee Pensions Limited | Chima Akalezi (Ag.MD/CEO) Interim Management Committee | Irorun Plaza 65, Kudirat Abiola Way Oregun, Ikeja , Lagos. | 08033279973 | cakalezi@firstguaranteepension.com www.firstguaranteepension.com |

Table 6.1: Pension Fund Administrators (Cont'd)

| S/No | Name of Operator | Managing Director | Address | Phone No. | E-mail and Web Addresses |
|-------------|--|---------------------------|---|------------------|--|
| 7 | Future Unity Glanvills Pensions Limited | Usman Suleiman | 26 Commercial Avenue Yaba, Lagos | 08033435906, | usuleiman@fugpensions.com www.fugpensions.com |
| 8 | IEI-Anchor Pension Managers Limited | Solomon Okodi | No. 51A, Oro Ago Crescent, Garki II, Abuja. | 08087184223, | info@anchorpension.com www.anchorpension.com |
| 9 | IGI Pension Fund Managers Limited | Stannis Uchenna Ezeobi | 8, Adeola Odeku Street, Victoria Island, Lagos | 08084995466 | sezeobi@igipfm.com www.igipfm.com |
| 10 | Investment One Pensions Limited | Azubuike Okonkwo | Plot 871 Tafawa Balewa Way Opposite NICON Luxury Hotel Area 11, Garki Abuja | 08023204661 | azubuike.okonkwo@gtbampensions.com www.gtbampension.com |
| 11 | Leadway Pensure PFA Limited | Aderonke Adedeji | 121/123 Funsho Williams Street, Surulere Lagos | 08066438653, | r-adedeji@leadway-pensure.com www.leadway-pensure.com |
| 12 | Legacy Pension Managers Limited (PFA) | Misbahu Umar Yola | No. 39, Adetokunbo Ademola Crescent, Wuse II, Abuja | 08022235807, | misbahuyola@legacypension.com www.legacypension.com |
| 13 | NLPC Pension Fund Administrators Limited | Wale O. Kolawole | No. 312A, Ikorodu Road, Anthony, Lagos | 08034027008, | wale.kolawale@nlpcpfa.com www.nlpcpfa.com |
| 14 | NPF Pensions Limited | Dr. Hamza Sule Wuro Bokki | Insurance Building Behind Force Headquarters Louis Edet House Shehu Shagari Way Area 11, Garki Abuja | 08033139435 | hamza.bokki@npfpensions.com www.npfpensions.com |

Table 6.1: Pension Fund Administrators (Cont'd)

| S/No | Name of Operator | Managing Director | Address | Phone No. | E-mail and Web Addresses |
|-------------|---------------------------------------|--------------------------|--|------------------|--|
| 15 | Oak Pensions Limited | Samuel Inyang | 266 Muritala Mohammed Way Yaba, Lagos | 08033094625 | sami@oakpensions.com www.oakpensions.com |
| 16 | Penman Pensions Limited | Peter E. Udo | NACRDB Plaza, Link Block Independence Avenue, Central Business District, Abuja | 08037016157 | pudo@penmanpensions.com www.penmanpension.com |
| 17 | Pensions Alliance Limited | Emenike D. Uduanu | 9th Floor UBA Building 57 Marina, Lagos | 08034039191 | duduanu@palpensions.com www.palpension.com |
| 18 | Premium Pension Limited | Wilson Ndidi Ideva | No. 4, Agwu Close Off Faskari Crescent Area 3, Garki Abuja | 08073399874 | wideva@premiumpension.com www.premiumpension.com |
| 19 | Sigma Pensions Limited | Umaru H. Modibbo | No. 29 Durban Street, Off Adetokunbo Ademola Crescent, Wuse II, Abuja | 08033164996 | modibbouh@sigmapensions.com www.sigmapensions.com |
| 20 | Stanbic IBTC Pension Managers Limited | Dr. Ademola Sogunle | Plot 1678, Olukunle Bakare Close, Off Sanusi Fafuwa Street Victoria Island, Lagos | 08034020097 | demola.sogunle@stanbicibtc.com www.stanbicibtcpension.com |
| 21 | Trustfund Pensions Plc | Helen Da-Souza | Plot 820/821, Labour House, Central Business District, Abuja | 08052090315 | helen@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 | aladeos@chevron.com www.chevron.com/nigeria |
| 2. | Nestle Nigeria Trust (CPFA) Limited | Adewale Fakoya | 22/24 Industrial Avenue, Ilupeju, Lagos | 08034020175 | adewale.fakoya@ng.nestle.com www.ng.nestle.com |
| 3. | Nigerian Agip CPFA Limited | Vacant | No 1 Elsie Femi Pearse Street Off Adelo Odeku Street Victoria Island, Lagos | 07034161327 | lghojovbe.oghenekaro@naoc.agip.it www.naoc.agip.it |
| 4. | Progress Trust CPFA Limited | H.T. Lawani | No 1, Abebe Village Road, Iganmu, Lagos | 08053184274 | titi.lawani@heineken.nl www.progresstrustcpfa.com |
| 5. | Shell Nig. Closed Pension Fund Administrator Ltd | Yemisi Ayeni | 1st Floor C-Wing, Bank of Industry Building, 23 Marina, Lagos | 08070362007 | yemisi.ayeni@shell.com www.shellnigeria.com |
| 6. | Total (E & P) Nig. CPFA Ltd | Emmanuel Essien | 30 Kofo Abayomi Street Victoria Island, Lagos | 08039799842 | emmanuel.essien@totalcpfa-ng.com www.total.com |
| 7. | Unico CPFA Limited | Muyibat Abbas | Niger House, 1-5 Odunlami Street, Lagos | 08033340592 | mabbas@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 | 1A Tihamiyu Savage Street, Victoria Island, Lagos | 07034111256 | cekeocha@diamondpfc.com www.diamondpfc.com |
| 2. | First Pension Custodian Nigeria Limited | Kunle Lawal Jinadu | 124 Awolowo Road, Ikoyi, Lagos | 08034022126 | kunle.jinadu@firstpensioncustodian.com www.firstpensioncustodian.com |
| 3. | UBA Pensions Custodian Limited | Oluwatomi A. Soyode (Somefun) | Plot 22b, Idowu Taylor Street, Victoria Island, Lagos | 08038077700 | tomi.soyode@ubagroup.com www.ubagroup.com |
| 4. | Zenith Pensions Custodian Limited | Nkem Oni-Egboma | No 22 Akin Adesola Street Victoria Island Lagos | 08023164118 | nkem.oni-egboma@zenithcustodian.com www.zenithcustodian.com |

6.2 Profile of Pension Fund Operators

Table 6.4: Profile of Pension Fund Administrators

| S/N | PFA Name | Board of Directors | | Paid-up Share Capital (N' million) | Number of Branches and Service Centre | External Auditors |
|-----|------------------------------------|--|---|---------------------------------------|---|---|
| 1. | Alico Pension Managers Limited | Ebi Ernest Chukwudi Mr. Eguarekhide J. Longe Chief (Dr.) O. Fajemirokun B. J. Oluwadiya Ademola Abimbola Adebisi Akinjide Orimolade Adewale Adegbite Edwin Igbiti Vacant | Chairman Managing Director/CEO Director Director Director Director Director Director Independent Director | 1,575,000,000 | 36 | Ernst & Young |
| 2. | APT Pension Funds Managers Limited | HRH Chief Ombo Odibo Tom Big Harry JP Al-Mujtaba Abubakar Gumi Kasimu Garba Kurfi Ahmed Rufai Alti Tanimu Yakubu Mohammed-Ja Festus Oladejo Ajani Garba Ahmed | Chairman Managing Director/CEO Director Director Director Director Director | 1,378,400,000 | 4 | Muhtari Dangana & Co. (Chartered Accountants) |
| 3. | ARM Pension Managers Limited | Christopher Nonyelum Okeke Vacant Olayiwola Afolabi Ms. Jumoke Ogundare Aliyu Asgar Yar'Adua Akojobi Ndunaka Daniel Souleyman Ba Kamar Bakrin Emmanuel Ikazoboh | Chairman Managing Director/CEO Executive Director Director Director Director Director Director Independent Director | 1,190,476,189 | 52 | KPMG Professional Services |

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

| S/N | PFA Name | Board of Directors | | Paid-up Share Capital (N' million) | Number of Branches and Service Centre | External Auditors |
|------------|---|---|--|---|--|--|
| 4. | Crusader Sterling Pension Limited | Oluwole Bankole Oshin Adeniyi Falade Lanre Adesanya Tofarati Augusto Razack Adeyemi Adeola Richard Asabia Larry O. Ademeso Femi Oyetunji Kunle Omilani Ms. Bennedikter C. Molokwu Olusola Ojelade | Chairman Managing Director/CEO Director Director Director Director Director Director Director Independent Director Alternate Director to Tofarati Augusto Alternate Director to Razak Adeyemi Adeola | 1,341,205,947 | 41 | Pannel Kerr Forster |
| 5. | First Guarantee Pension Limited | Segun Oluyori Comrade Issa Aremu Chime Akalezi Johnny Ojeaga | Chairman (Interim Management Committee) Ag. Managing Director Member (Interim Management Committee) | 583,847,417 | 31 | Grant Thornton (Chartered Accountants) |
| 6. | Future Unity Glanvills Pensions Limited | Ahmed A. Mu'azu Adeyinka O. Sogunle Usman B. Suleiman Anthony Ojeshina Chief A.O.Omisore Kins U. Ebebuike Gambo Shuaibu Garba Hungu John Abuh Oyidih Agbajegorite O. Edema Odunayo Francis Akinola Osijola Adefunke Adenike Samuel Ojo Shehu Ibrahim | Chairman Vice Chairman Managing Director/CEO Director Director Director Director Independent Director Alternate Director Alternate Director Alternate Director Alternate Director Alternate Director Alternate Director | 1,500,000,000 | 28 | Muhtari Dangana & Co & Ahmed Zakari & Co |

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

| <i>S/N</i> | <i>PFA Name</i> | <i>Board of Directors</i> | <i>Paid-up Share Capital (₦' million)</i> | <i>S/N</i> | <i>Number of Branches and Service Centre</i> | <i>External Auditors</i> |
|------------|---|---|---|---------------|--|---|
| 7. | Fidelity Pension Managers Limited | Chief Christopher Eze Amaka Andy Azike Mike Osime Reginald Ihejiahi Chukwuemeka Obiagwu Professor Ike S. Ndolo | Chairman Managing Director/CEO Director Director Director Independent Director | 1,576,583,829 | 26 | Company and RSA: Akintola Williams Deloitte & Touche Retiree: D.C.C Alaibe & Co |
| 8. | IEI-Anchor Pension Managers Limited | Sen. (Dr) Jonathan Silas Zwingina Solomon Okoli Rufai S. Hanga Martins Wayer Roselin Ekeng Francis Okwedy Adewole Adeosun | Chairman Managing Director/CEO Director Director Director Director Independent Director | 2,222,000,000 | 20 | Pannel Kerr Forster |
| 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 Yinka Obalade | Chairman Managing Director/CEO Executive Director Director Director Director Independent Director Director | 1,000,000,000 | 5 | Akinola Akintunde & Co |
| 10. | Investment One Pension Managers Limited | Alex Okoh Azubuike Okonkwo Mr. Nicholas Nyamali Mr. Bayo Omojola Mrs. Taiwo A. Mudasiru Abimbola Afolabi -Ajaji | Chairman MD/CEO Director Director Director Director | 1,301,447,368 | 1 | KL & Co. (Nigeria) Chartered Accountants |

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

| S/N | PFA Name | Board of Directors | | Paid-up Share Capital (N' million) | Number of Branches and Service Centre | External Auditors |
|-----|-------------------------------------|---|---|---------------------------------------|---|--|
| 11 | Leadway Pensure PFA Limited | Lt. Gen. Garba Duba (Rtd) Mrs. Aderonke Adedeji Olusakin Adebowale Labeodan Olanrewaju Taofeek Idris Oye Hassan-Odukale Kofo Majekodunmi Tunde Hassan-Odukale Ike Osakwe Dr. Anandi Prakash Mittal Ibrahim Waziri Mr. Muftau O. Oyegunle Debo Fasuyi | Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Director Director Director Alternate Director to Mr. Hassan Odukale Oye Alternate Director to A. P. Mittal | 1,695,340,087 | 35 | Akintola Williams Deloitte & Touche |
| 12 | Legacy Pension Managers Limited PFA | Lamis Dikko Misbahu Umar Yola Umar Sanda Mairami Christopher Babatunde Bajowa Ahmed Lawan Kuru Segun Fowora Mrs. Bukola Smith Mahdi Mohammed Salihu Shuaibu Makarfi Peter Obaseki Nurudeen Rafindadi Suzanne O. Iroche | Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Director Director Director Director Independent Director | 800,000,000 | 29 | KPMG Professional Services |

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

| S/N | PFA Name | Board of Directors | | Paid-up Share Capital (₦' million) | Number of Branches and Service Centre | External Auditors |
|------------|--|--|---|---|--|---|
| | | | | | | |
| 13. | NLPC Pension Fund Administrators Ltd. | J. O. Emmanuel | Chairman | 1,460,216,440 | 5 | Ajibade Durojaiye & Co (Chartered Accountants) |
| | | A. O. Kolawole | Managing Director/CEO | | | |
| | | Mrs. C. O. Oyeleye | Executive Director | | | |
| | | Samuel Adewole Balogun | Executive Director | | | |
| | | E. O. Eleramo | Director | | | |
| | | A. A. Adeyeye | Director | | | |
| | | Chief F. R. A. Marinho | Director | | | |
| | | Senator O. O. Omilani | Director | | | |
| | | Ahmed Musa Muhammad | Director | | | |
| | | Remilekun Odunlami | Independent Director | | | |
| | | | | | | |
| 14. | NPF Pensions Limited | Mr. Mohammed Dahiru Abubakar | Chairman | | | Muhtari Dangana & Co (Chartered Accountants) |
| | | Hamaza Sule Wuro Bokki | Managing Director/CEO | | | |
| | | Nicholas Nwalozi Nneji | Executive Director, Corporate Services | | | |
| | | Vacant | Executive Director, Operations | | | |
| | | Usman Baba Isa (Executive Secretary, Nigeria Police Multi-Purpose Society Cooperative Limited) | Director | | | |
| | | Olukayode Isaac Turner (Executive Secretary, Nigeria Police Welfare Insurance Cooperative Limited) | Director | | | |
| | | Bitus Bata Ndahi (DC Police Pension) | Director | | | |

| | | | | | | |
|------------|-----------------------------|-------------------------|-----------------------|----------------------|--|---------------|
| | | Chris Onyejekwe Okereke | Independent Director | | | |
| | | | | | | |
| 15. | Oak Pensions Limited | Dr. Awa Ibraheem | Chairman | 1,050,000,000 | | Ernst & Young |
| | | Samuel Inyang | Managing Director/CEO | | | |
| | | Muhammed Baba | Director | | | |
| | | Ganiyu Musa | Director | | | |
| | | Anirejuoritse Ojuyah | Director | | | |
| | | Adeyemi Abdullateef | Independent Director | | | |

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

| <i>S/N</i> | <i>PFA Name</i> | <i>Board of Directors</i> | <i>Paid-up Share Capital (N' million)</i> | <i>Number of Branches and Service Centre</i> | <i>External Auditors</i> |
|------------|----------------------------------|---|---|--|--|
| 16. | Penman Pensions Limited | Umaru A. Mutallab, CON Peter E. Udo Amb. Ibrahim Y. Abdullahi, OON Umaru Kwairanga Abdulkadir Idris Barrister Wada Ibrahim Sulaiman Dauda Karofi Engr. Boni C. Madubunyi Mai Musa A. Kaku Usman Bayero Nafada Suleyman A. Ndanusa, OON Adekunle O. Alonge Anthony E. Nzenwata | Chairman Managing Director/CEO Director Director Director Director Director Director Director Independent Director Independent Director Alternate Director | 1,723,060,000 11 | PKF Professional Services (Panell Kerr Forster) |
| 17. | Pensions Alliance Limited | Rilwan Bello Osagie Emenike.D. Udanu Aliyu Abdullahi Mohammed Godwin Onoro Daniel Agbor Mrs Hamda Ambah Junaid Dikko Alphonse O. Okpor Ms. Olufunsho Olusanya Folashade Laoye | Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Director Director Independent Director | 1,100,000,000 37 | Company : PriceWaterhouseCoopers (PWC) RSA & Retiree: KPMG Professional Services |
| 18. | Premium Pension Limited | Aliyu A. Dikko Wilson Ideva Adamu Musa Mele Kayoed Akande Ahmed Almustapha | Chairman Managing Director/CEO Executive Director Executive Director Director | 657,126,772 40 | PriceWaterhouseCoopers (PWC) |

| | |
|-----------------------------|----------------------|
| Mohammed Inuwa Yahaya | Director |
| Ibrahim Alhassan Babayo | Director |
| Idris Saeed | Director |
| Engr. Victor Chukwudi Anohu | Director |
| Mr. Nelson Chidozie Nweke | Director |
| Paul Usoro (SAN) | Independent Director |

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

| <i>S/N</i> | <i>PFA Name</i> | <i>Board of Directors</i> | <i>Paid-up Share Capital (N' million)</i> | <i>Number of Branches and Service Centre</i> | <i>External Auditors</i> |
|------------|--|--|---|--|--|
| 19. | Sigma Pensions Ltd | Rasaki Oladejo Umaru H. Modibbo Chief Cletus Imasuen Mrs. Titilayo T. Adebisi Mohammed A. Jalingo Dunami Stanley Balami Ms. Yimebe Joi Nunieb | Chairman Managing Director/CEO Director Director Director Director Independent Director | 984,539,474 31 | Muhtari Dangana & Co. (Chartered Accountants) |
| 20. | Stanbic IBTC Pension Managers Limited | Mrs. Olusola A. David-Borha Dr. Ademola Sogunle Steve Elusope Eric Fajemisin Ahmed Dasuki Mr. Godwin U. S. Wiggle Mr. Dominic Bruyneels Oladipo Ajoye-Adeogun | Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Independent Director | 1,000,000,000 194 | Company : KPMG Professional Services RSA & Retiree: Akintola Williams Deloitte & Touche |
| 21. | Trustfund Pensions Plc | Ngozi Olejeme Helen Da-Souza Musa Nasr Oluwo Olawole Wasiu Akinwumi Oladeji Peter Esele Abdulwaheed Omar Mobolaji Oludamilola Balogun (Chief) Richard Uche Ayyuba Wabba | Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Director Director Director | 1,000,000,000 17 | Akintola Williams Deloitte & Touche |

| | |
|----------------------|----------------------|
| Faith Tuedor Mathew | Director |
| Dauda Kolapo Adedeji | Director |
| Aderemi Adegboyega | Director |
| Oseretin Demuren | Independent Director |
| Jude Chiemeka | Alternate Director |

Table 6.5: Profile of Closed Pension Fund Administrator

| S/N | CPFA Name | Name of Director | Appointment | Paid-up Share Capital (N' million) | |
|------------|--------------------------------------|---|--|---|------------------------------|
| 1. | Chevron Nigeria Pension Plan Limited | Robert C. Neff Obafunke Alade-Adeyefa Emmanuel O. Imafidon Ezekiel Olasupo Shadiya J. U. Uwakwe Samuel Samson Udokwe Eyitemi Ned Mojuetan Ihuoma Onyearuha Frank Esanubi Peter Akiakeme Jerry L. Morgan | Chairman Managing Director/CEO Director Director Director Director Director Director Director Directors Independent Director | 150,000,000 | PriceWaterhouseCoopers (PWC) |
| 2. | Nestle Nigeria Trust (CPFA) Limited | Dharnesh Gordon Adewale Abiodun Fakoya Syed Saiful Islam David Chidolue Ifezulike Marie Owoniti S. O. Solesi | Chairman General Manager/CEO Director Director Director Independent Director | 2,500 | KPMG Professional Services. |
| 3. | Nigerian Agip CPFA Limited | Massimo Insulla Ighojovbe Oghenekaro Engr. Naaman F. Dienye Giuseppe Cerrito Antonino Cacopardi Chukwudi N. Illoh | Chairman Managing Director/CEO Director Director Director Director | 1,262,500 | Ernst & Young |
| 4. | Progress Trust CPFA Limited | Mark Rutten Mrs. H. T. Lawani Anthony Anyansi Dick Okeke Ogbe Ogochukwu Agu Raphael Kunle Tukuru | Chairman Managing Director/CEO Director Director Director Independent Director | 150,000,000 | PriceWaterhouseCoopers (PWC) |

Table 6.5: Profile Closed Pension Fund Administrators (Cont'd)

| S/N | CPFA Name | Name of Director | Appointment | Paid-up Share Capital (N' million) | External Auditors |
|------------|---|---|---|---|-------------------------------------|
| 5. | Shell Nig. Closed Pension Fund Administrator Ltd | Mutiu Sunmonu Mrs. Yemisi Ayeni Mrs Claire Ighodaro Beatrice Iyetule Spaine Jonathan Anolu Guy Janssens Tony Attah Mallam Balla Manu | Chairman Managing Director/CEO Director Director Director Director Director Independent Director | 200,000 | PriceWaterhouseCoopers (PWC) |
| 6. | Total (E & P) Nigeria CPFA Limited | Emmanuel Essien Paul Odekina Mrs.Chantal Bellaird Olaere Babasola Mrs. Edith Ofili-Okonkwo Leo Klink John Emenike Aki Onuoha Oyisi Okatah Emmanuel Ekut Harriet Ann Adesola | Managing Director/CEO Director Director Director Director Director Director Director Director Director Independent Director | 5,000,000 | KPMG Professional Services. |
| 7. | Unico CPFA Limited | Larry Ephariam Ettah Mrs. Muhibat O. Idowu Abbas Abdul Akhor Bello Brabindo Oruware Ogun Abimbola Olashore Olayiwola A. Adetuniwa Olawole M. Anyinla | Chairman Managing Director/CEO Director Director Director Director Independent Director | 150,000,000 | Akintola Williams Deloitte & Touche |

Table 6.6: Profile of Pension Fund Custodians

| S/N | PFC Name | Name of Director | Appointment | Paid-up Share Capital (N' million) | External Auditors |
|------------|--|---|---|---|--|
| 1. | Diamond Pension Fund Custodian Limited | Oladele Akinyemi Chinedu Ekeocha Chizoma Okoli Joe Kyari Gadzama Adedoyin Salami | Chairman Managing Director/CEO Director Director Director | 2,000,000,000 | KPMG Professional Services. |
| 2. | First Pension Custodian Nigeria Limited | Mallam Umar Yahaya Kunle Jinadu Urum Kalu Eke Ijeoma E. Jidenma Philip Bandele Olufunwa Adebayo O. Odeniyi | Chairman Managing Director/CEO Director Director Director Independent Director | 2,000,000,000 | Akintola Williams Deloitte & Touche |
| 3. | UBA Pensions Custodian Limited | Victor Odozi Bayo Yusuf Bismarck Rewane Dr. (Mrs.) Vivien Elumelu Tukur Bello Ingawa Apollos Ikpobe Johnson Agoreyo | Chairman Managing Director/CEO Director Director Director Director Director | 2,000,000,000 | Akintola Williams Deloitte & Touche |
| 4. | Zenith Pensions Custodian Limited | Peter Amangbo Nkem Oni-Egboma Adaora Umeoji Steve Omojafor Ebenezer Onyeagwu Prof. Grace Alele Williams | Chairman Managing Director/CEO Director Director Director Independent Director | 2,000,000,000 | KPMG Professional Services |

