



# **NATIONAL PENSION COMMISSION (PenCom)**

## **2016 ANNUAL REPORT**

# **CORPORATE VISION AND MISSION STATEMENT**

## **Corporate Vision**

**“By 2019, to be a pension industry with 20 million contributors delivering measurable impact on the Economy”**

## **Mission Statement**

**“PenCom exists for the effective regulation and supervision of the Nigerian Pension Industry to ensure that retirement benefits are paid as and when due”**

## EXECUTIVE COMMITTEE MEMBERS



**Chinelo Anohu-Amazu**

Director General



**Ebenezer Foby**

Commissioner, Administration



**Adesoji Olaoba-Efuntayo** (Deceased, 2016)  
Commissioner, Finance & Investment



**Prof. Muhammed A. Kaoje**  
Commissioner, Inspectorate

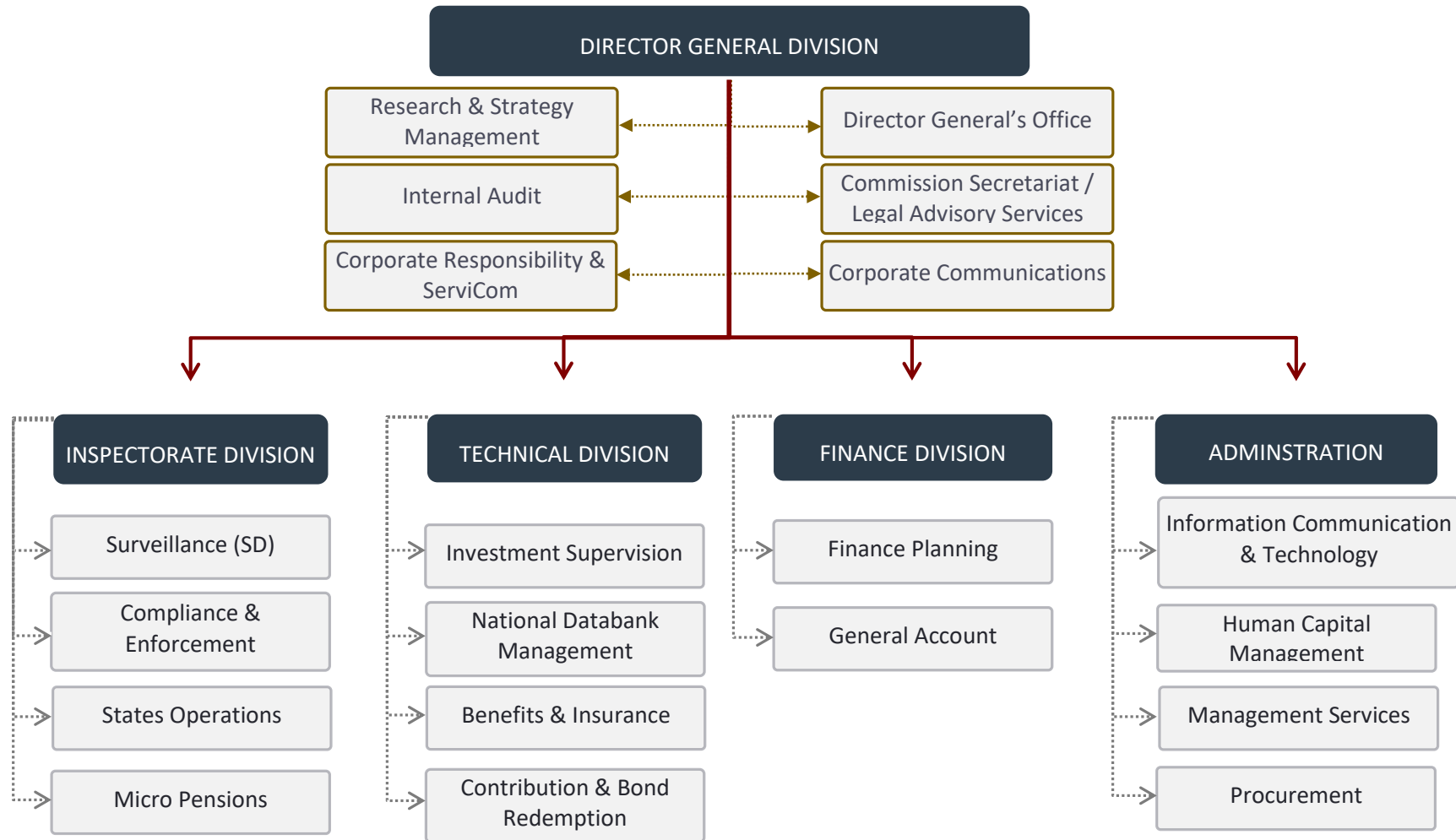


**Reuben G. Omotowa**  
Commissioner, Technical

## MANAGEMENT CONSULTATIVE COMMITTEE MEMBERS

Mrs. Chinelo Anohu-Amazu	Director General
Professor Mohammed Kaoje Abubakar, FSA	Commissioner Inspectorate
Mr. Rueben Gilbert Omotowa	Commissioner Technical
	Commissioner Finance & Investment
Mr. Foby Ebenezer	Commissioner Administration
Mrs. Aisha Dahir- Umar	Head (Corporate Responsibility & SERVICOM Department)
Mr. Mohammed Bello Umar	Head (Surveillance Department)
Mrs. Grace Usoro	Head (States Operations Department)
Mr. Mohammed Yola Datti	Head (Compliance & Enforcement Department)
Mr. Moses O. Loyinmi	Head (Benefits & Insurance Department)
Mrs. Ekanem B. Aikhomu	Head (National Databank Department)
Mr. Inuwa O. Iyodo	Head (General Accounts Department)
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Dr. Umar F. Aminu	Head (Research & Strategy Management Department)
Mr. Ehimeme Ohioma	Head (Investment Supervision Department)
Mr. Aliyu A. Tijjani	Head (Contributions and Bond Redemption Department)
Mr. Tijjani A. Saleh	Head (Procurement Department)
Mr. Peter Nwabuike Ekwealor	Head (Internal Audit Department)
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Mr. Nicholas Z. Mbajwa	Head (Financial Planning Department)
Mr. Muhammad S. Muhammad	Commission Secretariat/Legal Adviser
Mr. Emeka Onuora	Head (Corporate Communications Department)
Carol Alex-Uzomah	Head (Management Services Department)
Ms. Yemi Keri	Consultant (Information and Communication Technology Department)

## ORGANISATIONAL STRUCTURE



## OFFICIAL CONTACT DETAILS

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

## **PART TWO: CORPORATE ACTIVITIES**

### **2.1 Regulatory and Supervisory Activities**

In 2016, the Commission continued its regulatory and supervisory activities in an open, transparent and consultative nature for the smooth functioning of the pension industry, particularly, in surveillance; compliance and enforcement; investments monitoring; and the maintenance of a databank on pension matters.

#### **2.1.1 Issuance of Guidelines and Regulations**

The following Circulars were issued during the year under review:

- (i) Circular on Lagos State Bond as an Investment Instrument;
- (ii) Circular on Top Management and Redeployment of Heads of Departments; and
- (iii) Strengthening the Administration of Retirement Benefit.

All the Regulations, Guidelines and Frameworks issued by PenCom are available on [www.pencom.gov.ng](http://www.pencom.gov.ng).

#### **2.1.2 Surveillance of the Pension Industry**

The Commission continued its Risk Based Supervision (RBS) approach to examinations of Licensed Pension Operators. Under the RBS approach, the Commission ensures that all Operators are evaluated in a comprehensive and uniform manner, and that supervisory attention is appropriately focused on those Operators exhibiting weaknesses in their operations. Key risks affecting the operations of Pension Operators are mainly Operational, Market, Regulatory and Counter-Party risks.

The Commission did not grant any PFA, PFC or CPFA License in 2016. The total number of Licensed Operators in the Pension Industry remained thirty-two (32) as at 31 December, 2016. This comprised of 4 Pension Fund Custodians (PFCs), 21 Pension Fund Administrators (PFAs) and 7 Closed Pension Fund Administrators (CPFAs).

##### **(i) Summary of On-Site Examination**

The Commission examined all Licensed Operators within the period. This comprised of 21 Pension Fund Administrators (PFAs), 7 Closed Pension Fund Administrators (CPFAs) and 4 Pension Fund Custodians (PFCs).

Findings of the 2016 routine examination indicated some issues of supervisory concern in some risk types. However, these issues were not considered significant as to pose systemic threats to the pension funds.



A few Operators exhibited elevated risk levels relative to the size and complexity of the Funds under their management. Nonetheless, adequate risk management tools were deployed to contain the risk and maintain them within acceptable thresholds. All systemic risk indicators remained within acceptable levels.

## **(ii) Update on Risk Management and Analysis System (RMAS)**

The Commission received returns on performance of the Funds under management and custody from all the 32 Licensed Pension Operators. These comprised of 21 Pension Fund Administrators (PFAs), 7 Closed Pension Fund Administrators (CPFAs) and 4 Pension Fund Custodians (PFCs). Also, the Operators returns on company accounts to the Commission were rendered through the RMAS during the year ended 31 December, 2016.

## **(iii) Compliance Reports**

There was substantial compliance with the provisions of the PRA 2014, regulations, guidelines and circulars issued by the Commission. The major issues observed in the compliance reports during the year included un-credited pension contributions, delay in the payment of retirement benefits to retirees and receipt of pension contributions without appropriate schedules. There were also issues in some PFAs of unresolved customers' complaints, failure to fill vacant top management positions and non-compliance with investment limits.

## **(iv) Update on the Supervision of the Pension Transitional Arrangement Directorate (PTAD)**

The Maiden inspection of the Pension Transitional Arrangement Directorate (PTAD) was conducted in April, 2015. The Commission also conducted the 2016 Routine Examination of PTAD, in line with the PRA, 2014. The Commission also observed the verification exercise of the Civil Service Pensioners conducted by PTAD in the North-West, South-East and North-East geo-political zones of the country. The outcome of the verification revealed that a total of 29, 806 pensioners were verified.

In furtherance of its supervisory role, the Commission receives monthly statutory returns from PTAD as provided by the PRA, 2014. Through these reports, the Commission monitors the total number of pensioners on PTAD's payroll as well as the total amount of pensions paid each month.

Additionally, to facilitate the achievement of excellence in service to all stakeholders, the Commission, in the year under, review received and forwarded all complaints from pensioners on the Defined Benefits scheme to PTAD.

### **2.1.3 Compliance and Enforcement Activities**

#### **(i) Risk Management**

The review of the various Risk Management Reports submitted to the Commission during the year revealed that operators were challenged by operational risks associated with the receipt of pension contributions without appropriate schedules. Other key risks identified were legal risk, portfolio concentration and funding risks. The affected operators have been advised to further strengthen their risk mitigating strategies to better manage the identified risks.

#### **(ii) Review of Corporate Governance Reports**

Corporate Governance Reports for the year ended 31 December, 2016 were received from all the operators except one that recently commenced operations. The review of the reports indicated a satisfactory level of Corporate Governance across the industry. However, some lapses were observed in the evaluation of the performance of Board Committees and Individual Directors. The affected operators were advised to address the issues identified.

#### **(v) Issuance of Compliance Certificates**

During the year under review, the Commission received a total of 10,421 applications for issuance of compliance certificate. Out of these applications, compliance certificates were issued to 10,120 organisations while 301 applications were declined due to non-remittance of pension contributions for the appropriate period or non-provision of Group Life Insurance Policy for the employees.

#### **(vi) Public Awareness/Interactive Sessions**

As part of efforts to increase the level of compliance with the provisions of the PRA 2014, the Commission held 12 public awareness/interactive sessions in thirteen (13) states of the Federation for the education, health and tourism sectors during the year under review as follows:

- a. In the education sector, 3 workshops on the Contributory Pension Scheme were conducted for the Association of Proprietors of Private Schools (NAPPS) Kwara State Chapter, the Federal University of Technology, Minna, Niger State and the Federal University Otuoke, Bayelsa State.
- b. In the health sector, 3 enlightenment sessions were conducted for the Guild of Medical Directors, Abuja and the Association of General and Private Medical Practitioners of Nigeria (AGPMPN) Lagos and Imo State Chapters.

- c. With regards to the tourism sector, 6 workshops were conducted for the four (4) associations operating within the tourism sector, namely the Nigeria Hotel Association (NHA) Kaduna, Rivers, Plateau, Nasarawa, Kano and Benue State Chapters

Similarly, the Commission organized sensitization workshops for the following associations/organisation

- a. Senior Staff Association of Communications, Transport & Corporations (SSACTAC);
- b. the National Association of Small Scale Industrialist (NASSI) Lagos and Ondo State Chapters;
- c. the Nigerian Airspace Management Agency (NAMA); and
- d. the Maritime Workers Union of Nigeria in Lagos State.

#### **(vii) Recovery of Outstanding Pension Contributions and Penalty from Defaulting Employers**

Following the issuance of demand notices to defaulting employers whose liabilities had been established, some employers remitted the outstanding pension contributions including the assessed penalty. The sum of ₦2.37 billion was recovered during the year under review. This brings the total recoveries made by the consultants from inception of the exercise in 2012 to ₦11.40 billion. Out of this amount, the sum of ₦6.21 represented actual unremitted contributions, while ₦5.19 billion was the penalty charged for non-remittance. Furthermore, 123 employers that failed to remit the outstanding pension contributions and penalty as established by the consultants are being prosecuted for violating the provisions of the PRA 2014.

#### **(viii) Update on Implementation of the Contributory Pension Scheme by State Governments**

As at December, 2016, the number of States that enacted laws on the CPS stood at 26, while ten (10) States are currently at the bill stage of implementation. The 26 states that have enacted their laws are Lagos, Osun, Ogun, Oyo, Ekiti, Ondo, Jigawa, Kaduna, Zamfara, Kebbi, Sokoto, Kano, Niger, Kogi, Nasarawa, Delta, Rivers, Bayelsa, Edo, Akwa Ibom, Imo, Anambra, Enugu, Taraba, Gombe, and Adamawa States while the ten states at the stage of drafting their bill are Katsina, Benue, Kwara, Plateau, Cross River, Abia, Ebonyi, Bauchi, Borno, and Yobe States.

#### **2.1.4 Resolution Activities**

##### **(i) Update on the Nigerian Social Insurance Trust Fund (NSITF) Fund**

###### **a. Transfer of NSITF Contributions into Members Retirement Savings Account (RSAs)**

During the year ended 31 December 2016, the Commission reviewed and conveyed approval to Trustfund Pension Plc for the transfer of ₦200.57 million into 2,984 Retirement Savings Account (RSAs). Accordingly, the total NSITF contributions transferred into the Retirement Savings Accounts (RSAs) of 130,290 employees stands at ₦9.38 billion.

###### **b. Payment of Benefits**

During the year under review, the Commission granted approval to Trustfund Pensions Plc to pay the sum of ₦25.04 million as lump sum to 592 qualifying NSITF contributors. Therefore, since inception, the Commission has granted a “no objection” to Trustfund for the payment of ₦1.34 billion to 19,188 NSITF contributors as lump sum. Likewise, the Commission reviewed and granted approval to Trustfund for monthly pension payments totalling ₦312.14 million in respect of 4,469 NSITF pensioners. To date, a total amount of ₦3.76 billion had been paid to NSITF pensioners.

#### **2.1.5 Supervision of Investment of Pension Assets**

The Commission continued its analysis of the investment valuation reports submitted by pension operators. The valuation reports enabled the Commission to monitor pension fund investments with a view to ensuring compliance with the Regulations on Investment, Valuation and Fees Structure. Corrective remedial actions were enforced where necessary.

During the year, PFAs substantially complied with the provisions of the Investment Regulation although there were a few violations such as inaccurate and incomplete reporting as well as delayed/non-submission of valuation reports. These violations were resolved in the course of the routine review of the pension portfolios.

## **2.1.6 Databank on Pension Matters**

### **(i) Enrolment of Federal Government Employees Due for Retirement in 2017**

The Commission conducted an enrolment of FGN employees due for retirement in 2017 for the purpose of computing accrued pension rights due to them for past service up to June, 2004. A total of 16,534 employees were enrolled during the main exercise conducted nationwide. In addition, 288 employees were also enrolled through the in-house enrolment exercise within the year totalling 16,822 retirees.

### **(ii) Update on the Retirement Benefits Bond Redemption Fund Account (RBBRF)**

A total sum of ~~N~~13.38 billion was released into the RBBRF Account by the Office of the Accountant General of the Federation between January and December 2016. The Outstanding Accrued Pension Rights for 2016 amounts to ~~N~~67.19 billion for the year under review. As a consequence of this huge shortfall, there were persistent delays in payment of retirement benefits to Federal Government of Nigeria retirees.

### **(iii) Computation and Remittance of Accrued Pension Rights to Federal Government Retiree/Deceased.**

The Commission had processed and paid a total sum of N31.08 billion into the Retirement Savings Accounts (RSAs) and Death Benefit Accounts (DBAs) of 7,863 Retirees and Next of KINs (NOKs) respectively during the period under review.

### **(iv) Update on Pension Administration System (PAS)**

The Commission has commenced the procurement process for the deployment of the Pension Administration System (PAS). This system would replace the existing Contributor Registration System (CRS) Application. The PAS is an integrated application that is embedded with an Automated Fingerprint Identification System (AFIS) with the capability of performing fingerprint quality checks and matching fingerprints to confirm the uniqueness of a pension contributor/scheme member. This was necessitated by the several challenges of the existing CRS application. The PAS was proposed to have four (4) Modules, namely, Registration, RSA Transfer, Contribution Collation and Benefits Administration.

## **2.2 Departmental Activities**

### **2.2.1 Benefits and Insurance Department**

The Department reviewed and processed the requests for approvals to access the RSA balances of retirement/terminal benefits, death benefits, access to RSA on health grounds, payment to foreign nationals as well as employees who disengaged from work before attainment of 50 years, and other entitlements submitted by the Pension Fund Administrators (PFAs) on behalf of retirees and/or contributors.

It also supervised all issues relating to Group Life Insurance Policy and retirements on Life Annuity. The department has, developed the Framework and Guidelines for the implementation of the Pension Protection Fund (PPF) and Minimum Pension Guarantee (MPG) as provided under Section 82 & 84 of the PRA 2014, as amended. These Guidelines are undergoing the requisite processes and subsequent issuance. However, all stakeholders have been notified to make provisions in the 2017 budget for the funding of the PPF during the year preparatory to implementation.

### **2.2.2 Contributions & Bond Redemption Department**

The Department is tasked with the responsibility of computing and remitting the pension contributions of employees of Treasury-Funded FGN MDAs, as released by the office of the Accountant-General of the Federation (OAGF).

The Department also conducted enrolment and validation of prospective retirees and remitted accrued pension rights into their RSAs in accordance with the provisions of the PRA Act 2014.

### **2.2.3 Internal Audit Department**

The Department conducted prepayment and post payment audit of the financial transactions of the Commission. It also carried out revenue assurance, which ensures that all revenues due are received and correctly recorded. In the same vein, it carried out reconciliation of remittances of pension contributions and Accrued Rights of retiring Federal Government workers under the CPS.

The Department also monitored the security systems within the Commission to mitigate possible risks to the Commission's assets as well as re-evaluated the adequacy of established internal controls. The department also reviewed the adequacy of existing policies, and procedures, in meeting the Commission's strategic goals and objectives.

#### **2.2.4 Investment Supervision Department**

The Department supervised the investment of pension fund assets through the review of daily, monthly, quarterly and half-yearly portfolio valuation reports of the Defined Contribution (DC) Schemes as well as the actuarial valuation reports of Defined Benefit (DB) Schemes. The supervisory activities of the Department included ensuring the safety of the Funds and that the fund managers obtained fair returns on the investments. Furthermore, it ensured that pension fund assets were properly valued in compliance with the stipulated Regulation on the Valuation of Pension Fund Assets.

The Commission entered into a Regulatory Supervision Collaboration Agreement with Financial Market Dealers Quotation (FMDQ OTC Plc) aimed at enhancing the Commission's supervisory function, by enabling the effective monitoring via an online real time platform, of the transactions of Licensed Pension Operators in fixed income securities.

The department actively participated in various committees set up by other Government agencies aimed at improving the Nigerian financial landscape. These include the following:

- i. The Capital Market Master plan Implementation Committee (CAMMIC) established sequel to the development of the 10-year Capital Market Master plan aimed to drive the various initiatives identified under the master plan.
- ii. Financial Services Regulatory Coordinating Committee (FSRCC) was established to address issues of common concern to financial sector regulatory and supervisory bodies, through consultations and regular inter-agency meetings.
- iii. Family Homes Fund Initiative under the auspices of the Federal Ministry of Finance, a public-private partnership arrangement that aims to accelerate the development of the domestic housing / mortgage industry in Nigeria.

#### **2.2.5 Management Services Department**

The department manages the Commission's facilities including fixed assets, utilities, communications, maintenance planning and security. It is also tasked with the provision of work tools and equipment and also ensures the adequate maintenance of the Commission's facilities at the Head Office and Zonal Offices. These logistic support activities are geared towards ensuring the smooth operations of the Commission.

The Management Services Department is also committed to supporting the Commission in attaining its strategic priorities by providing effective management of the Commission's service providers.

### **2.2.6 National Data Bank Management Department**

The Department maintained a comprehensive database of retirees and contributors under the CPS. It established the framework for employees in the public and private sectors to register with any Pension Fund Administrator of their choice. The department seeks to resolve all RSA related issues and provide a single lifetime RSA based on biometric identification. The department is tasked with the responsibility to implement the RSA transfer clearing module which would facilitate the transfer of RSA from one PFA to another.

### **2.2.7 Compliance and Enforcement Department**

The Department is saddled with the responsibility of the enforcement of compliance with the provisions of the PRA 2014. To further obtain more compliance by employers, On-site and Off-site inspections of employers were carried out and public enlightenment campaigns were also organized. The Department evaluated applications and issued Compliance Certificates to compliant organizations. In accordance with the provisions of the Public Procurement Act 2007, all companies bidding for contracts with the Federal Government Ministries, Departments and Agencies (MDAs) are required to present the Pension Clearance Certificate in the bid documents.

The Department also handled compliance issues relating to the old Defined Benefit Scheme being administered by the Pension Transitional Arrangements Directorate (PTAD). During the year under review, the Department conducted the Maiden inspection of the PTAD, supervised the verification exercises organised by the PTAD as well as drafted a guideline for the establishment of a Management Team for PTAD for a more effective and efficient structure.

### **2.2.8 Corporate Communications Department**

The corporate image of the Commission was promoted by the department through sensitizing the public on its public engagement activities on the CPS through the print and electronic media as well as other social media platforms. The Department also played a key role in providing protocol services as well as liaison activities with different arms of government on behalf of the Commission for smooth and harmonious working relationships.

### **2.2.9 Surveillance Department**

The Department examined all Licensed Operators within the period as well as conducted Special and Target Examinations using the Risk Based Supervision (RBS) approach. The RBS approach of the Commission ensures that all Operators are evaluated in a uniform manner, and that supervisory attention is appropriately focused on those Operators exhibiting weaknesses in their operations. Key risks affecting the operations of Pension Operators were mainly operational, market, regulatory and counter party risks.



In line with consultative philosophy of PenCom, bi-monthly Consultative meetings with licensed Operators in the Pension Industry were held during the year under review. The Department also participated in the 2<sup>nd</sup> Edition of the Consolidated Examination of First Bank Holding Company (HoldCo) with the Central Bank of Nigeria (CBN) within the period.

#### **2.2.10 Research and Strategy Management Department**

The Department is responsible for driving the formulation, monitoring implementation and performance evaluation of the initiatives contained in the Commission's Corporate Strategy. It coordinated research activities and research findings as an input into the policy decisions by the Commission. It also produced the Commission's Quarterly and Annual Reports. The Department also monitored, analysed and maintained the statistics on the pension industry as well as drafted position papers for members of the Executive Committee (EXCO). In addition, it developed and presented papers at various sensitization and awareness campaigns. The department also managed the Commission's website while other activities included the management of the Commission's Library etc.

#### **2.2.11 Human Capital Management Department**

The Department is responsible for overall human resource management activities of the Commission including determination of manpower needs, employee deployments to functional areas, compensation and records management, amongst others.

The Department is also tasked with the capacity development of staff of the Commission and the Pension Industry. Capacity building for the Staff was aligned to the Commission's strategic objectives and appropriate training programmes were identified to address noted skill gaps.

Accordingly, the Department facilitated a number of courses both within and outside the country for skills acquisition and development of staff that included courses on leadership development for Middle-Management in order to prepare them for the challenges of leadership in the Commission.

### **2.2.12 State Operations Department**

The Department provided technical support in the implementation of the Contributory Pension Scheme (CPS) by State Governments, while it continued to provide services nearer to stakeholders notably- requests for compliance certificate, resolution of complaints and enquiries. The department also conducted awareness programs and engaged State Governments with a view to driving compliance with the CPS.

Furthermore, the Department conducted the maiden inspections of Pension Boards/Bureaux to examine the level of implementation of the recommendations contained in the maiden inspection reports.

### **2.2.13 Finance Department**

The Finance Department is mandated to maintain complete, accurate and reliable financial records of all revenues and expenditure as well as ensuring the provision of funds for the smooth operations of the Commission. The Department ensured strict compliance with the various budget control mechanisms in processing approved payments. It facilitated the external audit of the Commission's accounts for the year ended 31 December, 2015. The department also ensured best practices were adhered to on the physical control of the Commission's fixed assets.

### **2.2.14 Financial Planning Department**

The department is responsible for the preparation, monitoring and analysis of the Commission's annual budget. It also prepares supplementary budgets when required and provides periodic reports on budget performance. It liaises with relevant Government Agencies on behalf of the Commission with regards to budgetary matters.

The Department also monitors investments made from the contributory account with CBN and Pension Remittances from the Contributory Account to PFAs for onward transfer to contributors' RSAs.

### **2.2.15 Information & Communication Technology Department**

The Information & Communication Technology (ICT) Department provided and ensured the smooth running of all ICT support applications, which include the Risk Management and Analysis System (RMAS), the Contributor Registration Application (CRS). It also participated in the development of User Requirements for a proposed new application, the Pension Administration System (PAS). The new application when deployed, would replace the CRS and is expected to enhance contributor registration capabilities. The Department also ensured the smooth operations of the existing hardware and connectivity within the Commission, as well as rendered technical support

during the nationwide Enrolment Exercise for treasury funded FGN MDAs retiring in 2017.

### **2.2.16 The Commission Secretariat/Legal Department**

The Commission Secretariat/Legal Department, renders legal and secretarial services to the Board, Management and all divisions within the Commission. The Commission Secretariat keeps custody of the Commission's seal, original copies of legal instruments and other correspondence of the Commission. The corporate legal advisory services are structured under the portfolio of the Legal Department.

The Department also engaged stakeholders and the general public through sensitization and public enlightenment on the workings and implementation of the PRA 2014, in order to ensure their understanding of the Contributory Pension Scheme.

The department provided legal advisory support and advice to the departments on both operating issues, complaints forwarded by the Solicitors on behalf of retirees, contributors, and beneficiaries of deceased employees of the Scheme. Also, the department is mandated to proactively measures/carry out legal audits on all the operations in the Commission in order to standardize practices and minimize the risk of litigations against the Commission.

The Commission Secretariat and Legal Department is positioned to enforce the provisions of the PRA 2014 and ensure the prosecution of defaulting employers that have refused/failed to comply with the Act. The department manages pending cases, as well as potential litigations involving the Commission, directly and through the engagement of external solicitors.

### **2.2.17 Micro Pension Department**

The department is mandated to setup and implement enabling framework and guidelines to bring the self-employed persons into the CPS to save for their retirement during old age. The department held consultative meetings with the Central Bank of Nigeria, Bank of Industry, Small and Medium Enterprises Development Agency (SMEDAN) etc. The collaboration sought to obtain and share information on the operating environment and data on the informal sector with a view to facilitating the commencement of the Micro Pension Scheme by the Commission.

## **2.2.18 Procurement Department**

The Department was created as a fallout of the Commission's Corporate Strategy 2015 – 2019. It is saddled with the responsibilities of acquisition of goods, works and services for the Commission, with strict adherence to the Public Procurement Act 2007 and other guidelines & regulations issued by the Bureau for Public Procurement (BPP).

The Department perform a needs Assessment for all departments in the Commission and supervises and monitors the implementation of various projects. It coordinates the issuance of certificates of job completion to vendors that successfully execute awarded projects

## **2.3 Other Activities of the Commission**

### **2.3.1 Sensitization Workshops/Seminars and Public Enlightenment**

In the year under review, PenCom collaborated with other organisations to organize various seminars, workshops, conferences and interactive sessions as part of its mandate on public awareness and education.

Series of sensitisation and enlightenment programmes were conducted in various Nigerian languages through the print and electronic media and at various seminars, roundtable discussions and conferences. Some of these workshops/seminars, conferences and interactive sessions during the year included the following:

- i. The Commission organized a sensitization conference for stakeholders in the North-East geo-political zone of the country and also coordinated the sensitization workshop organized for Justices, Judges and senior Judicial officers on the workings and implementation of the PRA 2014.
- ii. The Commission also organized a total of five (5) Operational Consultative Forum with Operators where developments as well as challenges in the pension industry were discussed and solutions proffered.
- iii. The Commission facilitated the featuring of various Radio and Television programmes aimed at enlightening the public about the Contributory Pension Scheme. These programmes included weekly programmes including "Pension Matters" on the NTA Network Service, Consumer Voice by the Consumer Protection Council, etc. Various Heads of department from the Commission participated in several media interviews in furtherance of these enlightenment efforts.

- iv. An interactive session with Pension Labour Correspondence and Editors was conducted by the Commission on 19 February, 2016, in Lagos.
- v. The Director General of the Commission held an interactive session with Senior Journalists in Lagos on 20 February, 2016.
- vi. The Commission organised workshops on the Contributory Pension Scheme for the Association of Proprietors of Private Schools (NAPPS) Kwara State Chapter, the Federal University of Technology, Minna Niger State and Federal University of Otuoke Branch Bayelsa State in the education sector.
- vii. The Commission organised enlightenment sessions under the health sector which were held for the Guild of Medical Directors, Abuja and the Association of General and Private Medical Practitioners of Nigeria (AGPMPN) Lagos and Imo State Chapters.
- viii. The Commission facilitated ten (10) workshop sessions for the four (4) different associations within the tourism sector namely the Nigeria Hotel Association (NHA) Kaduna, Rivers, Plateau, Nasarawa, Kano and Benue State Chapters, the Senior Staff Association of Communications, Transport & Corporations (SSACTAC) Nigerian, the association of Small Scale Industrialist (NASSI) Lagos and Ondo State Chapters and Nigerian Airspace Management Agency (NAMA). A sensitization session was also held for the Maritime Workers Union of Nigeria in Lagos State.
- ix. Public Awareness sessions were conducted for Government officials and representatives of Labour in 27 States; Rivers, Cross River, Akwa Ibom, Delta, Edo, Bayelsa, Imo, Enugu, Abia, Kaduna, Sokoto, Kebbi, Kwara, Benue, Kogi, Plateau, Niger, Osun, Ondo, Ekiti, Oyo, Adamawa, Taraba, Bauchi, Gombe, Yobe and Borno States.
- x. The Zonal Offices also conducted a total of 117 awareness campaigns on the CPS in all the six (6) geopolitical zones of the country.

### **2.3.2 Collaborative Activities**

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

- i. The leaders of Lagos State Council of Trade Men and Artisans (LASCOSTA) and Nigerian Builders Association between 21 and 23 March, 2016.

- ii. National Cooperative Financing Agency of Nigeria on 8 June, 2016 considering the relatively large membership of Cooperative in the country.
- iii. Members of the Shiloh Multipurpose Cooperative Society Warri, Delta State on 14 October, 2016 in Warri.
- iv. Amalgamated Market Traders Association of Anambra State (AMATAS) and Onitsha Market Traders Union (OMATU) on 26 October, 2016 in Onitsha, Anambra State.
- v. Nigerian Association of Small and Medium Scale Enterprises (NASME) on 14 July, 2016 in Lagos.
- vi. Nigeria Automobile Technicians Association (NATA) on 10 November, 2016 in Enugu.

## **2.4 Membership of Professional Organizations**

The Commission maintained its memberships of two international professional organizations, the International Organization of Pension Supervisors (IOPS) and the International Social Security Association (ISSA). Also, it continued leveraging on the expertise and experiences of these professional bodies in achieving its mandate.

## **PART THREE: THE PENSION INDUSTRY**

### **3.1 The Operating Environment**

#### **3.1.1 Macroeconomic Developments**

The Pension Industry operated in a recessed economic environment in 2016. This was evident with the slowed macroeconomic performance as the real Gross Domestic Product (GDP) significantly shrank from 2.79 percent in 2015 to negative growth of 1.51 percent in the year under review. This represents 4.30 percentage point contraction from last year. However, the aggregate nominal GDP grew by 7.34 percent to stand at ₦1,001.60 trillion compared to ₦94.14 trillion in the previous year. The oil sector contracted significantly by 13.65 percent greater than the decline of 5.45 percent recorded in the foregoing year, largely due to the instability in the oil producing region of the country. This had further depleted the sector's contribution to GDP to 8.42 percent compared to 9.61 percent in 2015.

The inflation rate closed at 18.55 percent as at 31 December, 2016 with a 12-month average of 15.70 percent, demonstrating an increase over the figure of 9.55 percent in 2015 which averaged 9.02 percent. The pressure on consumer prices could be explained by the high cost of transportation, power, energy and imports as well as foreign exchange pressures.

#### **3.1.2 Developments in the Stock Market**

The total market capitalization of the Nigerian stock market at the end of 2016 shows a declined performance from the previous year by 4.81 percent. The market capitalization dropped from ₦17.00 trillion in 2015 to ₦16.19 trillion in the reporting period. Likewise, the market capitalization of equity and bond markets dipped 6.93 and 3.01 percent from ₦9.86 trillion and ₦7.14 trillion in the preceding year to stand at ₦9.26 trillion and 6.93 trillion in 2016 respectively. On the contrary Exchange Traded Fund (ETF) market capitalization increased from ₦4.02 trillion at the end of 2015 to ₦4.80 trillion in 2016, representing 19.41 percent growth.

The capital market experienced a negative return of 6.17 percent, as the NSE All Share Index recorded a decline by 1,767.63 points, decreasing from 28,642.25 in 2015 to close at 26,874.62 as at 31 December, 2016. Similarly, all the NSE market indices ended in negative territory with the exception of the NSE Premium and Banking Indices that returned 6.98 and 2.17 percent respectively. The worst performers were the industrial and oil/gas sectors with a negative return of 26.37 and 12.31 percent respectively.

The performance of the market was influenced by the general economic condition occasioned by the decline in both crude oil prices and domestic output leading to foreign exchange volatility, consecutive negative growth leading to

recession and high interest rate as well as instability of other macroeconomic variables. In addition to the bearish performance of market, there was a lull in activity in the primary market with no IPOs during the year. However, there was only one (1) new company listing by introduction. Also, fourteen (14) companies were delisted period under review from 184 listed companies to 170.

### **3.1.3 Developments in the Bond Market**

The bond market capitalization declined by ~~N~~215.07 billion from ~~N~~7.14 trillion in the previous year to ~~N~~6.93 trillion in 2016, representing 3.01 percent drop in the total bond market capitalization in the period. The Federal government is the big player in the market with 88.11 percent of the total bond capitalization. The State Government and Corporate bonds capitalization stood at ~~N~~5`6.58 billion and 281.97 billion respectively.

During the year under review, the Debt Management Office (DMO) sold a total of ~~N~~120 billion worth of new Federal Government Bonds with 5, 10 and 20 year tenures. The DMO also reopened 31 existing FGN Bonds of different tenures worth ~~N~~1.12 trillion with over 69 percent oversubscriptions in the same period.

### **3.1.4 Developments in the Money Market**

The Central Bank of Nigeria (CBN) adopted a tightening stands considering the inflationary trend by raising Monetary Policy Rate (MPR) from 11 percent in 2015 to 14 percent in 2016 as part of price stabilization measure of the monetary policy. Similarly, the Cash Reserve Ratio (CRR) on private sector deposit was raised from 20 percent in 2015 to higher level at 22.5 percent in the year under review.

As part of restrictive monetary stance of the monetary policy of the CBN, all rates on deposits of various maturities moved up to a range of 4.18 – 10.76 percent in 2016 from a range of 3.33 – 7.11 percent as at December 2015. At the interbank funds segment, the inter-bank call rate averaged 15.67 to end at 10.39 percent in 2016, indicating an increased by 9.62 percentage points from 0.77 per cent by the end of 2015.

## **3.2 Licensing of Operators**

There was no new licence issued by the Commission in 2016. The number of Approved Existing Schemes, Pension Fund Custodians, and Closed Pension Fund Administrators were maintained at 19, four and seven respectively. Subsequently, the number of pension operators remained 51 in 2015 and 2016. A breakdown of the Pension Fund Operators is given in Table 3.1



**Table 3.1: Number of Pension Operators as at December 2016**

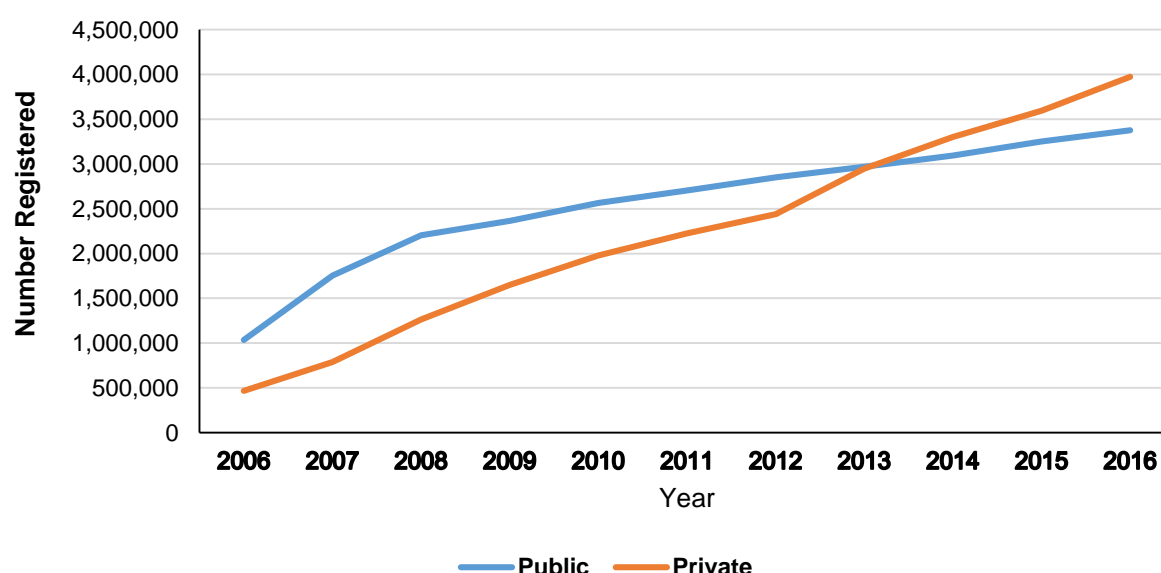
<b>Pension Operators</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Pension Fund Administrators	24	20	20	21	21	21
Pension Fund Custodians	4	4	4	4	4	4
Closed Pension Fund Administrators	7	7	7	7	7	7
Approved Existing Schemes	19	19	19	19	19	19
<b>Total</b>	<b>54</b>	<b>50</b>	<b>50</b>	<b>51</b>	<b>51</b>	<b>51</b>

### 3.3 Membership of Pension Schemes

The total membership of pension schemes increased from 6,950,503 in 2015 to 7,412,653 in 2016, representing an increase of 6.65 percent. Membership of the RSA scheme dominated total pension scheme memberships at 7,348,028 representing a proportional contribution of 99.13 percent. The AES and the CPFA however accounted for the balance of 0.87 percent.

#### 3.3.1 Membership of RSA

The total RSA registration in the private and public sectors recorded an increase of 462,632 as total registration moved from 6,885,396 in 2015 to 7,348,028 in 2016, representing an increase of 6.30 percent. The private sector accounted for a higher proportion of total registration in 2016 at 3,972,707 representing 54.06 percent, while public sector registration was 3,375,321 representing 45.94%. A graphical presentation of public/private sector memberships of RSA is presented in Figure 3.1.

**Figure 3.1: RSA Registration by Sector**

A further review of Figure 3.1 shows that the total number of registered RSA holders increased in both the public and private sectors from inception to date. It can be inferred that although the public sector RSA registration was larger than the private sector, the rate of increase of RSA registration was however higher in the private sector than the public sector.

The increase in private sector RSA registrations could be explained by such factors as: the engagement of 173 Recovery Agents by the Commission to recover outstanding pension contribution liabilities from private sector employers inclusive of interest penalties on the liabilities, ensuring that private sector organizations that employ 3 or more employees comply with the scheme; enforcement of a provision in the Public Procurement Act 2007 which stipulates that companies bidding for Federal Government Contracts must provide evidence of compliance with the PRA 2014 as part of the requirements for such bids; and the level of awareness created in the private sector through intensive sensitization workshops and seminars.

The increase in the public sector RSA registrations could be ascribed to the increased compliance by the State Governments and other public sector organizations. All these accounted for the continuous dominance of the public sector in 2016. Accordingly, 21 State Governments have enacted their CPS Bills into Law, 14 others were at various stages of implementation, while one state was at the Bill stage as at 31 December, 2016.

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 2016 at 38.81 percent as shown in Table 3.2. RSA holders in the age bracket “40-49 years” made the second highest proportional contribution at 27.36 percent in the year. In all, these two age brackets accounted for more than half of the RSA holders at 66.17 percent in 2015.

**Table 3.2: RSA Registrations in 2016**

Age Bracket	Public Sector		Private Sector		Total		Grand Total	% Percent
	Male	Female	Male	Female	Male	Female	Number	
Less than 30 yrs	105,989	48,995	378,766	179,584	484,755	228,579	713,334	9.71
30 - 39 yrs	739,418	366,608	1,271,471	476,250	2,010,889	842,858	2,853,747	38.81
40 - 49 yrs	612,712	380,836	803,341	213,510	1,416,053	594,346	2,010,399	27.36
50 - 59 yrs	523,128	288,038	405,809	72,412	928,937	360,450	1,289,387	17.55
60 - 65 yrs	167,708	62,176	99,876	11,427	267,584	73,603	341,187	4.64
above 65 yrs	63,804	15,909	54,875	5,386	118,679	21,295	139,974	1.9
<b>Total</b>	<b>2,212,759</b>	<b>1,162,562</b>	<b>3,014,138</b>	<b>958,569</b>	<b>5,226,897</b>	<b>2,121,131</b>	<b>7,348,028</b>	<b>100.00</b>

The implication of the foregoing is that RSA holders are relatively young. This provides a rationale for investing Pension Funds in relatively long-term investments without the risks of investment mismatch. Thus, pension funds can be conveniently invested in alternative asset classes which mostly provide more significant returns on investment.

It is expected that RSA registration will continue to grow as more state governments implement the CPS and more private sector employers buy into the scheme due to the renewed impetus provided by the Commission aimed at encouraging compliance, in addition to the aggressive marketing strategies of the PFAs. Furthermore, it is expected that the Pension Industry would continue to leverage on the enormous untapped investment opportunities in the Nigerian economy with a view to enhancing investment returns and consequently expand coverage of the CPS.

### 3.3.2 Memberships of CPFA and AES

The total membership of CPFAs and AES were 23,983 and 40,642 respectively, as at 31 December, 2016. There were no remarkable changes in the memberships of both CPFAs and AESs in 2015 and 2016 because they are occupational pension schemes restricted to staff of the sponsoring organizations. Furthermore, the PRA 2014 had foreclosed the entrance of new employees into the schemes. Since July, 2014, all new employees of the sponsor companies are required to join the CPS and open Retirement Savings Accounts (RSAs) with a PFA of their choice.

**Table 3.3: Membership of CPFA in 2016**

Enrolment Type	2015		2016	
	Number	% of Total	Number	% of Total
Active Members	17,599	72.86	17,325	72.24
Current pensioners	5,962	24.68	6,020	25.10
Deferred Pensioners	595	2.46	638	2.66
<b>Total</b>	<b>24,156</b>	<b>100.00</b>	<b>23,983</b>	<b>100.00</b>

Note: (1) Deferred pensioners are pensionable retirees who were not eligible to start drawing pensions until they reach certain age(s) in accordance with the rules and regulations of their respective schemes.

**Table 3.4: Membership of AES in 2016**

Enrolment Type	Number		Number	
	2015	% of Total	2016	% of Total
Active Members	24,255	59.23	23,836	58.65
Current pensioners	15,313	37.39	15,423	37.95
Deferred Pensioners <sup>1</sup>	149	0.36	149	0.37
Dependants	1,234	3.01	1,234	3.04
<b>Total</b>	<b>40,951</b>	<b>100.00</b>	<b>40,642</b>	<b>100.00</b>

Note: (1) Dependants are protégés of deceased employees

### 3.4 Pension Contributions

The total pension contributions into the RSA of employees in the private and public sectors amounted to ~~N~~488.20 billion in 2016 as shown in Tables 3.5 and 3.6. The public sector accounted for ~~N~~225.86.09 billion, which represents 46.26 percent of total pension contributions in the year. However, cumulatively, total pension contributions as at 31 December, 2016 amounted to ~~N~~3,876.21 billion. This was made up of ~~N~~2,040.19 billion contributions from the public sector, which represents 46.26 percent of total contributions and ~~N~~ 1,835.02 billion from the private sector, which represents the remaining balance of 53.74 percent.

**Table 3.5: Public Sector Pension Contributions as at December 2016**

Year	Amount (N Billion)	Percentage of Total
2004	15.6	0.76
2005	34.68	0.70
2006	37.38	1.83
2007	80.63	3.95
2008	99.28	4.87
2009	137.1	6.72
2010	162.46	7.96
2011	228.92	11.22
2012	302.24	14.81
2013	278.5	13.65
2014	237.49	11.64
2015	200.05	9.81
2016	225.86	11.07
<b>Total</b>	<b>2,040.19</b>	<b>100.00</b>

The total contributions of the public sector was comprised of contributions from FGN, participating State and Local Governments employees. The accumulated contributions for the public sector increased from ~~N~~1,814.33 billion in 2015 to ~~N~~2,040.19 in 2016, representing an increase of 12.45 percent.

**Table 3.6: Private Sector Pension Contributions as at December 2016**

Year	Amount (N Billion)	Percentage of Total
2006	23.03	1.25
2007	68.34	3.72
2008	80.81	4.40
2009	91.21	4.97
2010	103.03	5.61
2011	119.53	6.51
2012	159.52	8.69
2013	225.42	12.28
2014	343.89	18.73
2015	358.91	19.55
2016	262.33	14.29
<b>TOTAL</b>	<b>1,836.02</b>	<b>100.00</b>

Similarly, the accumulated private sector pension contribution since inception recorded an increase of 16.67 percent in 2016 as it moved from ₦1,573.69 billion in 2015 to ₦1,836.02 billion in 2016.

### 3.5 Industry Portfolio Analysis

The Net Assets Value (NAV) of the Pension Fund assets based on unaudited reports was ₦6.16 trillion as at 31 December, 2016. This represented a net growth of ₦861 billion (16%), from ₦5.30 trillion recorded as at 31 December, 2015. The growth resulted primarily from monthly inflows of pension contributions into the RSA Funds, which averaged ₦46 billion per month and returns on investment.

Table 3.7 gives the portfolio of the Pension Funds as at 31 December 2016 as well as comparative figures for 2015.

**Table 3.7: Pension Fund Portfolio as at 31 December 2016**

S/N	Asset Class	RSA		AES	CPFA	Total				Variance Between 2016 and 2015	
		Active	Retiree			2016		2015		Amount ₦ Billion	Weight %
		Amount ₦ Billion	Amount ₦ Billion			Amount ₦ Billion	Weight %	Amount ₦ Billion	Weight %		
1	Quoted Ordinary Shares	341.78	2.1	92.92	63.63	500.43	8.12	519.79	9.80	-19.36	-3.72
2	FGN Bonds	2,663.43	301.48	303.59	293.99	3,562.49	57.79	3,061.48	57.73	501.01	16.36
3	Treasury Bills	524.93 <sup>1</sup>	47.47	105.61	109.44	787.45	12.77	379.8	7.16	407.65	107.33
4	FGN Agency Bonds	71.75	5.34	0	0.28	77.37	1.26	91.88	1.73	-14.51	-15.79
5	State Govt. Securities	98.87	17.9	18.57	13.11	148.45	2.41	152.79	2.88	-4.34	-2.84
6	Corporate Debt Securities	138.26	36.45	27.98	83.13	285.82	4.64	171.13	3.23	114.69	67.02
7	Local Money Market Securities	279.68	34.14	49.02	33.58	396.42	6.43	565.81	10.67	-169.39	-29.94
8	Open/Close end Funds	5.19	0	2.01	2.32	9.52	0.15	14.16	0.27	-4.64	-32.77
9	REITs	9.03	0	0.05	0.66	9.74	0.16	8.66	0.16	1.08	12.47
10	Supranational Bonds	6.8	3.51	0.01	1.46	11.78	0.19	12.82	0.24	-1.04	-8.11
11	Private Equity Funds	5.47	0	0	13.54	19.01	0.31	15.4	0.29	3.61	23.44
12	Infrastructure Funds	1.05	0	0	1.02	2.07	0.03	0.98	0.02	1.09	111.22
13	Real Estate Properties	0	0	89.76	144.13	233.89	3.79	214.19	4.04	19.7	9.20
14	Foreign Equities	0	0	0	84.19	84.19	1.37	68.35	1.29	15.84	23.17
15	Foreign Money market Securities	0	0	0	4.65	4.65	0.08	0.13	0.00	4.52	3,476.92
16	Cash & other Assets	0.91	3.57	5.19	21.82	31.49	0.51	25.39	0.48	6.1	24.03
	<b>Net Asset Value</b>	<b>4,147.15</b>	<b>451.96</b>	<b>694.71</b>	<b>870.95</b>	<b>6,164.77</b>	<b>100.00</b>	<b>5,302.89</b>	<b>100.00</b>	<b>861.88</b>	<b>16.25</b>

Note: <sup>1</sup> This includes ₦61.63 billion balance of unreconciled contributions of FGN Treasury funded employees managed by the CBN

Table 3.7 shows that investments were predominantly in Federal Government Bonds and Treasury Bills, both of which accounted for 72% of total pension fund assets. This was a 5% increase from 67% recorded in 2015 and could be attributed to the high yields on these instruments, especially in Q2:2016 and Q3:2016. Other significant investments were in Quoted Ordinary Shares (8%), Local Money market Investments (6%) and Corporate Debt Securities (5%).

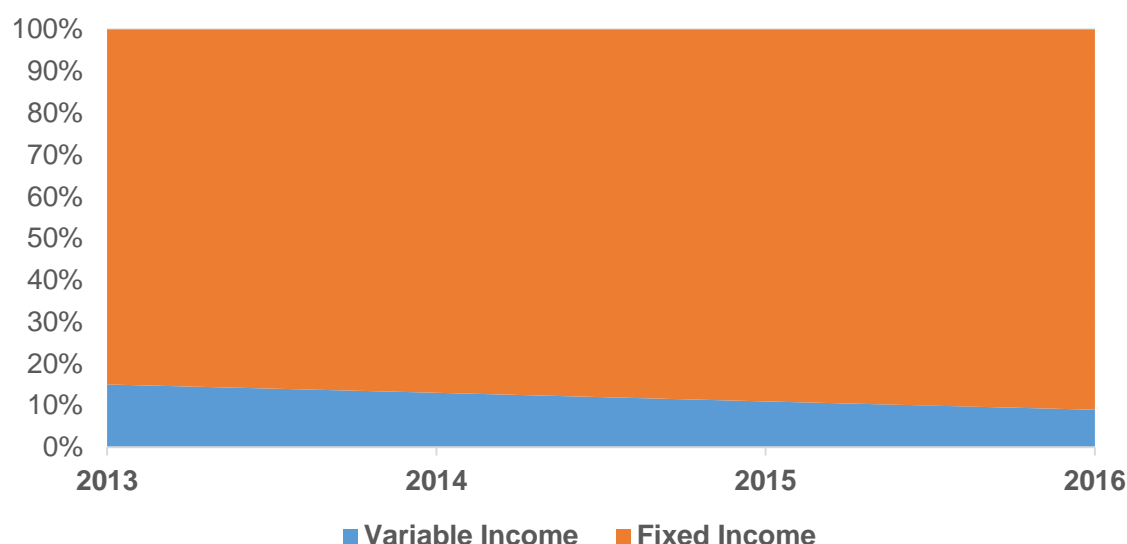
### 3.6 Analysis of Portfolio of RSA ‘Active’ Funds

The Net Assets Value (NAV) of the RSA ‘Active’ Funds amounted to ~~N~~4.09 trillion as at 31 December 2016, representing a net growth of ~~N~~693.51 billion (20.5%) over ~~N~~3.39 trillion as at 31 December 2015. The growth was higher in actual value than the ~~N~~550 billion recorded in 2015. The portfolio of the RSA ‘Active’ Fund is provided in Table 3.8.

**Table 3.8: Portfolio of RSA ‘Active’ Fund as at 31 December 2016**

ASSET CLASS	2016		2015	Variance Between 2016 and 2015		
	Amount ₦ Billion	Weight %	Amount ₦ Billion	Weight %	Amount ₦ Billion	Weight %
Quoted Ordinary Shares	341.78	8.37	347.77	10.25	-5.99	-1.72
FGN Bonds	2,663.43	65.19	2,150.77	63.41	512.66	23.84
Treasury Bills	463.3	11.34	207.14	6.11	256.16	123.67
FGN Agency Bonds	71.75	1.76	91.88	2.71	20.13	21.91
State Government Bonds	98.87	2.42	98.12	2.89	0.75	0.76
Corporate Debt Securities	138.26	3.38	88.56	2.61	49.70	56.12
Money Market Instruments	279.68	6.85	362.6	10.69	-82.92	-22.87
Open/Close-End Funds	5.19	0.13	6.18	0.18	-0.99	-16.02
REITS	9.03	0.22	8.53	0.25	0.50	5.86
Supranational Bonds	6.8	0.17	6.8	0.20	0.00	0.00
Private Equity Funds	5.47	0.13	5.49	0.16	-0.02	-0.36
Infrastructure Funds	1.04	0.03	0.53	0.02	0.51	96.23
Cash & Other Assets	0.91	0.02	17.62	0.52	-16.71	-94.84
<b>Net Asset Value</b>	<b>4,085.51</b>	<b>100.00</b>	<b>3,392.00</b>	<b>100.00</b>	<b>693.51</b>	<b>20.45</b>

The portfolio of RSA ‘Active’ Fund was spread across nine approved asset classes, with highest placements made in Federal Government of Nigeria Securities (78%), Money Market Instruments (7%) and Quoted Equities (8%). It can also be observed from Table 3.7 that 91% of the portfolio was in fixed income securities, which could be attributed to its relative safety and higher yields, during the period under review, compared to 9% of variable income securities. This trend had been increasing over the past three years due to the relative instability of the stock market as demonstrated in Figure 3.2.



**Figure 3.2: Investments in Fixed vs Variable Income Securities**

### 3.6.1 Sources of Portfolio Growth/Diminution

The RSA 'Active' Fund had a net growth of ₦693.51 billion (20%) in 2016, as the NAV increased from ₦3.39 trillion as at 31 December, 2015 to ₦4.09 trillion as at 31 December, 2016. The sources of portfolio growth were as follows:

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

S/N	Sources of Portfolio Growth	2016	2015	Variance Between 2016 and 2015
		Amount ₦ Billion	Amount ₦ Billion	Amount ₦ Billion
1.	New Inflow of Funds • Contributions	557.04	474.56	82.48
2.	Investment Income • Interests/Coupons • Dividends • Net Realized Gains/(Losses) on Equities & Bonds	441.81 11.78 11.81	365.15 16.57 29.70	76.66 (4.79) (17.89)
3.	Net Unrealized Gains/(Losses) on Quoted Equities/Equity Funds	(13.19)	(80.77)	67.58
4.	Benefits Paid /Transfers to Retiree Fund	(231.26)	(180.02)	(51.24)
5	Asset Based Fees (and VAT)	(84.66)	(75.49)	(9.17)
	<b>Total</b>	<b>693.33</b>	<b>549.70</b>	<b>143.63</b>

### **3.6.1.1 Contributions Received**

A total of ~~N~~557.04 billion was received as pension contributions in 2016, which represented an increase of 17% over ~~N~~474.56 billion contributed in 2015. The increase in total contributions resulted partly from additional 462,000 Retirement Savings Accounts (RSA) that were opened for new contributors in 2016. The average monthly pension contributions received during the year increased from ~~N~~40 billion in 2015 to ~~N~~46 billion in 2016.

### **3.6.1.2 Interests/Coupons Earned**

The interests/coupons earned on investments in fixed income securities, largely money market instruments and bonds, totalled ~~N~~441.81 billion. This was a 21% increase over ~~N~~365.15 billion earned in 2015. The higher interest income in 2016 resulted from a combination of slightly higher yields on fixed income securities and increase in the value of fixed income investments.

### **3.6.1.3 Net Unrealized Gains/Losses on Investments in Equities/Equity Funds**

The net unrealized losses on investments in equities/equity funds reduced significantly from ~~N~~80.77 in 2015 to ~~N~~13.19 billion in 2016. Although this figure was remarkable improvement of the unrealized losses, it nevertheless was a reflection of the continuing bearish run on the Nigerian stock market over the past 3 years, which had resulted in the Nigerian Stock Exchange All Share Index (NSE-ASI) recording negative rates of return of -16.14%, -17.36% and -6.17% in 2014, 2015 and 2016, respectively. The prices of Insurance and Oil & Gas stocks were the worst hit with -11.44% and -12.31% respectively in 2016. Despite the negative performance of the NSE-ASI in 2016, 7 PFAs recorded positive unrealized gains on equity/equity fund investments, mainly due to stock selection and diversification within sub-sectors.

### **3.6.1.4 Net Realized Gains on Equities and Bonds**

The net realized gains on sale of equities and bonds amounted to ~~N~~11.81 billion, which was significantly lower than the ~~N~~29.7 billion recorded in 2015. The bond market did not provide much profit taking opportunities during the year, as yields trended upwards throughout the year. Similarly, the stock market was caught in a sustained 'bearish' trend, but saw some periods of rebound, allowing profit taking opportunities, but these were few and far in-between.

### **3.6.1.5 Transfers to RSA Retiree Fund / Benefits Payments**

Total transfers to RSA Retiree Funds and payments of benefits of 25% of RSA balance due to temporary unemployment amounted to ~~N~~225.31 billion. This figure was a 25% increase over ~~N~~180.02 billion paid in 2015. The increase in



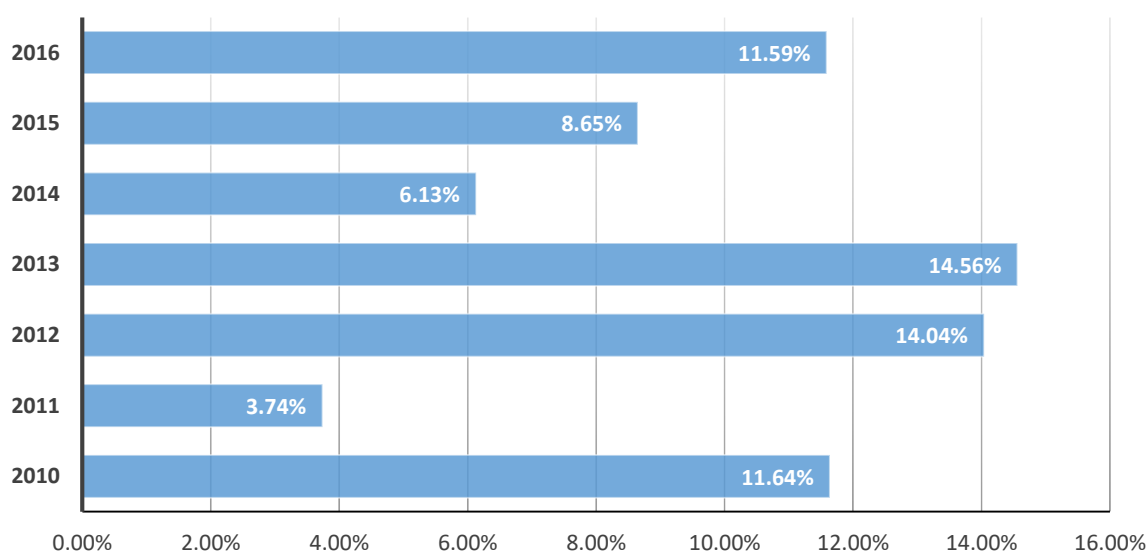
the benefits paid was mainly due to payments for temporary loss of job and pay-outs on voluntary contributions.

### 3.6.1.6 Fees and Taxes

The total asset based fees charged and debited to the Fund (including 5% VAT) increased from ₦75.49 billion in 2015 to ₦84.24 billion in 2016. Other expenses charged to the Funds were audit fees that amounted to ₦426.47 million. The 2016 asset based fees and audit charges represented a gross rate of 2.26% on the average monthly Gross Assets Value (GAV) of ₦3.74 trillion in 2016.

### 3.6.2 Portfolio Performance

The Weighted Average Return on Investment (ROI) on the RSA 'Active' Fund, net of asset based fees and taxes, was 11.59% as at year ended 31 December, 2016. It should be noted that this nominal return on investment was 2.94% higher than 8.65% recorded in 2015. However, it represented a negative real return of -4.04% based on the average inflation rate of 15.63% in 2016. As shown in Figure 3.3, the average return on investment has been fluctuating largely due to the influence of the operating environment during the years.



**Figure 3.3: Return on Investment for RSA 'Active' Funds**

The performance of the RSA 'Active' Funds was significantly affected by the performance in the Nigerian stock market which had a sustained downward trend in stock prices, though there were periods of resurgence that were quickly eroded by profit taking investors. The Nigerian Stock Exchange All Share Index (NSE-ASI) depreciated by 6.17% marking an improvement over the negative return of 17.42% recorded in 2015.

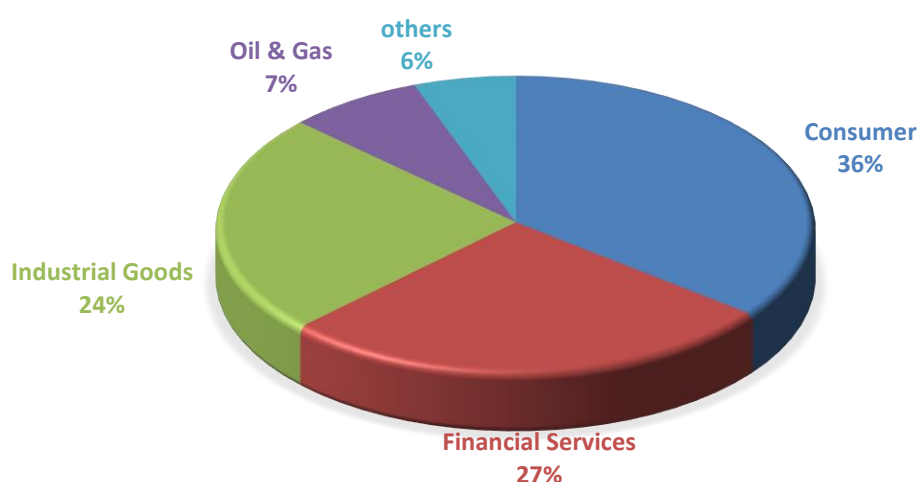
The rising Year-on-Year inflation in the country in 2016, led to increased yields and interest incomes from investments in fixed income securities, especially from Q2 of 2016. This, to a large extent, compensated for the unrealized losses on equity/equity fund investments. The average yields on FGN Bonds, Treasury Bills and Money Market Instruments ranged between 13% p.a and 19% p.a, depending on the tenor and instrument.

A review of the individual portfolios of the PFAs indicated that most of the PFAs drastically reduced their exposure to quoted equities, as a strategy to contain the diminution in the value of an Accounting Unit of their respective Funds. A total of 10 PFAs had rates of return that ranged from 9.7% to 7.39%, which was about 64 basis points (0.64%) below the median industry performance of 10.34%. The low performance of some Funds could be attributed to their high assets allocation in equities/equity funds. However, the performance analysis revealed the need for PFAs to continue to cautiously diversify their individual portfolios into investments in variable income assets, especially the non-traditional asset classes such as private equity funds, infrastructure funds and real estate through the allowable instruments. The introduction of the Multi-Fund Structure is expected to facilitate this diversification process.

### 3.6.3 Review of Asset Classes

#### (i) Domestic Quoted Ordinary Shares

The value of investment in quoted ordinary shares was ~~N~~341.78 billion representing 8% of portfolio value as at 31 December 2016. This was a decrease of ~~N~~5.99 billion over ~~N~~347.77 billion valued investments in quoted equities in 2015 primarily due to diminution in the market value of stocks quoted on the NSE during the year.



**Figure 1.4: RSA 'Active' Fund Investments in Ordinary Shares by Sub-Sectors**

Investments in the Consumer Goods had the highest actual assets allocation and accounted for 36% of total value of equity investments, up from 34% in 2015 as shown in Figure 3.4. Other major equity investments were in Financial Services (27%); Industrial Goods (24%); and Oil & Gas (7%).

## (ii) Federal Government of Nigeria (FGN) Securities

Investments in Federal Government of Nigeria Bonds and Treasury Bills, were valued at ₦3.20 trillion and represented a growth of 31% over the value of ₦2.44 trillion in 2015. This amount was exclusive of FGN employees' pension contributions amounting to ₦61.63 billion invested in Treasury Bills by the CBN and awaiting remittances to the various RSAs. Investments in FGN Securities averaged 75% of total value of RSA 'Active' Fund, which was an increase of 4% over 71% in 2015. Placements in FGN Bonds were valued at ₦2.66 trillion (67% of the portfolio of RSA 'Active' Fund), while Treasury Bills were valued at ₦463.30 billion (6% of total portfolio value). The investments in Treasury Bills had increased significantly during the course of the year from ₦207.14 billion recorded in 2015.

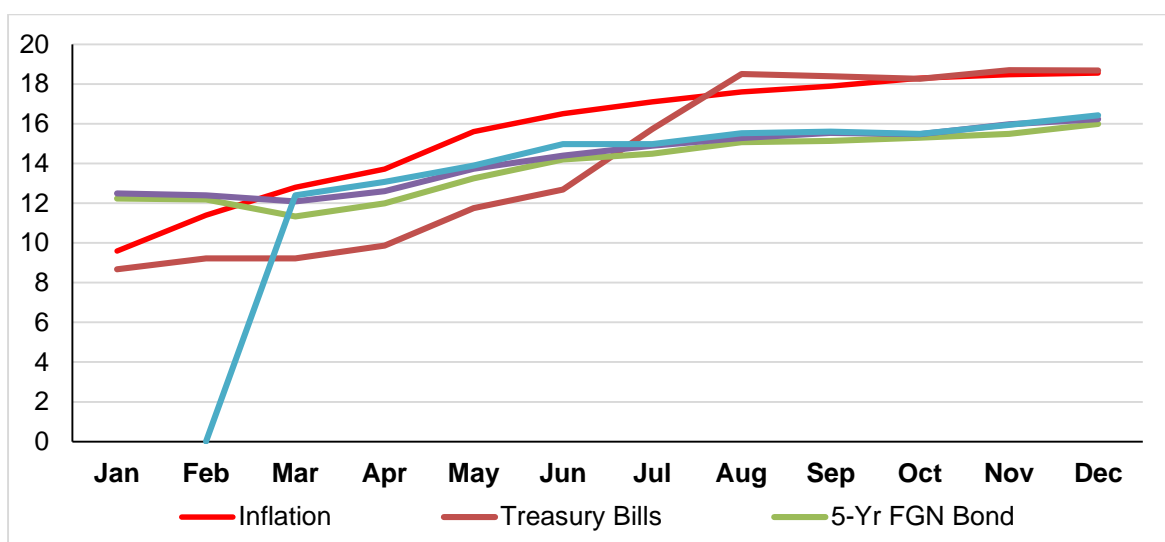
The 'Term-To-Maturity' (TTM) profile of investments in FGN Bonds as at 31 December 2016 is shown in the Table 3.10 below:

**Table 3.10: Term to Maturity Profile of FGN Bonds as at 31 December 2016**

S/N	Tenor	Amount ₦ Billion	Weight %
1	Below 3years	413.8	18.45
2	3years – 5years	530.84	23.67
3	Above 5years – 10yrs	687.32	30.65
4	Above 10years	1,031.47	45.99
5	Total	2,242.65	100.00

Table 3.9 further reveals that more than 80% of pension fund investments in FGN Bonds were in longer tenured bonds with TTM of above 5 years, which constituted about 65% of the portfolio.

Figure 3.5 presents the yields on FGN Securities relative to the Inflation rate (Year-on-Year) in 2016. The yields on FGN Securities were below the inflation rate with the exception of Treasury Bills, which recorded and maintained a steep rise in rates from July and August, 2016. The marginal yields on FGN Bonds Primary Auctions across the various maturity profiles averaged 12.21% in Q1:2016; 13.57% in Q2:2016; 15.17% in Q3:2016; and 15.81% in Q4:2016. On the other hand, yields on 364-day Treasury Bills averaged 9.05%, 11.44%, 17.54% and 18.55% in the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> Quarters of 2016, respectively.



**Figure 3.5: Inflation Rate and Yields on FGN Securities**

### (iii) State Government Bonds

The value of investments in State Government Bonds was ₦98.87 billion, which accounted for 2% of total value of the portfolio of the RSA 'Active' Funds as at 31 December 2016. There was a slight increase of 0.8% from the value of ₦98.12 billion recorded in 2015, which was partly due to the low appetite of PFAs for State Government Bonds as a result of financial challenges being faced by most State Governments. However, Lagos State issued a new bond in 2016 at a yield of 16.5%, while Bayelsa State restructured its bond and extended the maturity date from 2017 to 2019 at a new rate of 16.5%p.a. The Imo State Bond issued in June 2009, matured in June 2016 and was fully redeemed. The distribution of pension fund investments in State Government Bonds as at 31 December 2016 is given in Table 3.11.

**Table 3.11: Investments in State Government Bonds in 2016**

State Government	Credit Rating	Maturity Date	Tenor (Years)	Coupon Rate (%)	Market Value of Investment (₦ Billion)	Weight (%)
Bayelsa	A	30/06/2019	9	16.5	3.84	3.88
Delta	A	30/09/2018	7	14	10.14	10.26
Lagos (Series II)	A	19/04/2017	7	10	12.65	12.79
Lagos (Series I)	A	22/11/2019	7	14.5	16.26	16.45
Lagos (Series II)	A	27/11/2020	7	13.75	27.8	28.12
Lagos (Series III)	A	30/12/2023	7	16.5	17.62	17.82
Niger (Series II)	A	26/09/2018	7	14	3.41	3.45
Niger (Series III)	A	12/12/2018	5	14	2.13	2.15
Osun	A	12/12/2019	7	14.75	5.02	5.08
<b>Total</b>					<b>98.87</b>	<b>100.00</b>

Pension investments in bonds issued by State Governments were mostly in bonds issued by Lagos State Government, accounting for 75%, which was an increase of 11% over the amount invested in 2015. Other major investments were in Delta State Bond (10%); Niger State Bond (6%); Osun State Bond (5%); and Bayelsa State Bond (4%).

#### (v) Corporate Debt Securities

The investments in Corporate Debt Securities was valued at ₦138.26 billion as at 31 December 2016, accounting for 3% of total value of the RSA 'Active' Fund, which was an increase of ₦49.7 billion (56%) over ₦88.56 billion in 2015. The growth was primarily by new investments in bonds issued by corporates in 2016 driven by the relative high yields on these issues. Similarly, a 5-year Bond issued by Dana Group Plc in 2013 was restructured and extended to 2020, with the coupon increased from 16% p.a. to 17% p.a. Two corporate bonds issued by Fidson Plc and Nigerian Aviation Handling Company (NAHCO) Plc matured in 2016 and were fully redeemed. The portfolio of pension fund investments in the various Corporate Bonds is given in Table 3.12.

**Table 3.12: Investment of RSA 'Active' Fund in Corporate Debt Securities in 2016**

S/N	Name of Issuer	Maturity Date	Tenor (Years)	Coup Rate (%)	Total Investment (₦ Million)	Weight (%)
1	C & I Leasing	20/11/2017	5	17.5	90.72	0.07
2	Dana Group	09/04/2020	7	17	91.45	0.07
3	FCMB SPV	16/11/2021	7	14.25	29,267.66	21.17
4	FCMB (Series 2)	11/06/2020	5	15	18,848.50	13.63
5	Fidelity Bank Plc	13/05/2022	7	16.48	6,950.58	5.03
6	Fidson	07/11/2019	5	15.5	77.00	0.06
7	Forte Oil Plc	02/12/2021	5	17.5	1,624.58	1.18
8	La Casera Company Plc	18/10/2018	5	15.25	340.90	0.25
9	Lafarge Africa Plc	15/06/2019	3	14.25	15,503.49	11.21
10	Lafarge Africa Plc	15/06/2021	5	14.75	12,291.80	8.89
11	Mixta Real Estate Plc	28/12/2021	5	17	300.56	0.22
12	Nigerian Aviation Handling Company Plc	12/05/2020	7	15.25	453.47	0.33
13	Stanbic IBTC	30/09/2024	10	13.25	8,103.10	5.86
14	Sterling Bank SPV	03/08/2023	7	16.5	1,957.21	1.42
15	Tower Funding Plc	09/09/2018	7	MPR+7/MPR+5	209.94	0.15
16	Transcorp	26/10/2022	7	15.5	1,794.06	1.30
17	Transcorp	04/12/2020	5	16	3,746.13	2.71
18	UBA Plc (Series 1)	30/09/2017	7	13	3,592.76	2.60
19	UBA Plc (Series 2)	20/09/2018	7	14	8,417.63	6.09
20	UBA Plc	30/12/2021	7	16.45	18,633.54	13.48
21	Wema Bank Plc	23/09/2023	7	18.5	4,366.47	3.16
22	Diamnd Bank (Eurobond)	21/05/2019	5	8.75	1,600.35	1.16
					<b>138,261.90</b>	<b>100.00</b>

## **(vi) Money Market Instruments**

Investments in money market instruments (bank placements and commercial paper) were valued at ~~N~~279.68 billion, which was equivalent to 7% of the value of the RSA 'Active' Fund as at 31 December 2016. This marked a reduction of ~~N~~82.92 billion (23%) compared to the value of ~~N~~362.60 billion as at 31 December 2015. PFAs had significantly restructured their portfolios and invested more assets in Treasury Bills due to the higher yields, with spreads as high as 200 basis points (2%) above the interest rates for money market instruments. The average rates on placements across all tenors during 2016 were 7.19% in the 1<sup>st</sup> quarter; 9.25% in the 2<sup>nd</sup> quarter; 16.20% in the 3<sup>rd</sup> quarter; and 17.58% in the 4<sup>th</sup> quarter.

In June 2016, the Central Bank of Nigeria sacked the Management of Skye Bank Plc due to some irregularities. The total exposure of pension fund assets to money market instruments of the Bank was ~~N~~22.34 billion as at 10 June, 2016. Based on the ratings downgrade for the bank from Standard & Poors and GCR Rating Agencies, the Commission subsequently advised Pension Operators to liquidate their investments and not to make any further placements with the bank. All PFAs' money market investments in Skye Bank Plc were fully recovered.

## **(v) Open/Close – Ended / Hybrid Funds**

These investments included placements in Exchange Traded Funds and Real Estate Investment Trusts and were valued at ~~N~~14.22 billion as at 31 December 2016, representing less than 1% of total portfolio value of RSA 'Active' Fund. The amount was made up of investments in Collective Investment Schemes, ~~N~~5.19 billion, and Real Estate Investment Trusts (REITs), ~~N~~9.03 billion.

## **(vi) Supranational Bonds**

Investments in Supranational Bonds were valued at ~~N~~6.80 billion as at 31 December 2016, representing less than 1% of total value of the portfolio of RSA 'Active' Fund. The two securities in which pension funds invested were the International Finance Corporation's 10.20% Fixed Rate Senior Unsecured Note and the African Development Bank's ~~N~~160.00 billion Medium-Term Note Programme, both had a credit rating of 'AAA' and satisfied the minimum investment criteria for pension fund investments.

## **(vii) Private Equity (PE) Funds**

The value of RSA 'Active' Funds' investment in PE Funds was ~~N~~5.47 billion, which marked a decrease of ~~N~~20 million over the value of ~~N~~5.49 billion as at 31 December 2015.

### (viii) Infrastructure Fund

Pension Fund Investments in Infrastructure Fund increased by 97% from ₦528 million in 2015 to ₦1.04 billion as at 31 December 2016. The increase was due to additional capital calls on investments made during the year.

### (ix) Un-invested Cash

The un-invested cash balance was ₦910.83 million as at 31 December 2016. This represented newly unitized pension contributions awaiting deployment into the approved asset classes as well as matured tenured placements awaiting re-investment as at the reporting date of 31 December, 2016. The interest rate on un-invested cash balances ranged between 2%p.a. and 5%p.a.

## 3.7 Analysis of RSA Retiree Funds

The Net Assets Value in the RSA 'Retiree' Funds totalled ₦451.96 billion as at 31 December 2016, representing a growth of 13% over ₦420.92 billion recorded in 2015. The investments were spread across six asset classes, but mainly invested in Federal Government Securities, 79% (FGN Bonds – 67%; Treasury Bills – 11%; and FGN Agency Bonds – 1%); Money Market Instruments, 8%; and Corporate Debt Securities, 8%.

**Table 3.13: Portfolio of RSA 'Retiree' Fund as at 31 December 2016**

Asset Class	Portfolio Limit %	2016		2015		Variance	
		Amount ₦ Billion	Weight %	Amount ₦ Billion	Weight %	Amount ₦ Billion	Weight %
Quoted Equities	10	2.1	0.46	2.52	0.69	(0.42)	(16.67)
Federal Government Securities	80						
(i) FGN Bonds		301.48	66.71	278.81	76.38	22.67	8.13
(ii) Treasury Bills		47.47	10.50	27.9	7.64	19.57	70.14
(iii) Agency Bonds		5.33	1.18	0.00	0.00		
State Government Bonds	20	17.9	3.96	20.51	5.62	(2.61)	(12.73)
Corporate Debt Securities	35	36.45	8.06	23.93	6.56	12.52	52.32
Supranational Bonds	20	3.51	0.78	3.51	0.96	0	0.00
Money Market Instruments	35	34.14	7.55	59.27	16.24	(25.13)	(42.40)
Cash & Other Assets		3.58	0.79	4.47	1.22	(0.89)	(19.91)
<b>Net Asset Value</b>		<b>451.96</b>	<b>100.00</b>	<b>420.92</b>	<b>100.00</b>	<b>55.91</b>	<b>13.28</b>



### 3.7.1 Sources of Portfolio Growth/Diminution

The RSA Retiree Funds had a net growth of ₦30.94 billion as the total value increased from ₦421.53 billion in 2015 to ₦451.96 billion as at 31 December 2016. The sources of net portfolio growth in 2016 are shown in Table 3.14.

**Table 3.14: Sources of Growth for the RSA ‘Retiree’ Fund in 2016**

S/N	Sources of Portfolio Growth	2016	2015	Variance
		Amount (₦ Billion)	Amount (₦ Billion)	Amount (₦ Billion)
	New Inflow of Funds Transfers of Retirees’ RSA ‘Active’ Balances/Accrued Rights	187.21	214.86	(27.65)
	Investment Income			
	□ Interests/Coupons	55.01	50.18	4.83
	□ Dividends	0.23	0.14	0.09
	□ Net Realized Gains on Equities & Bonds	1.06	2.16	(1.1)
	Net Unrealized Gains/Losses on Equities / Equity Funds	(0.14)	(0.85)	0.71
	Retirement Benefits Paid	(208.01)	(206.47)	(1.54)
	□ Income Based Fees (+ VAT)	(4.42)	(4.11)	(0.31)
	<b>Total</b>	<b>30.94</b>	<b>55.92</b>	<b>(24.98)</b>

#### (i) Transfer from RSA ‘Active’ Balances and Accrued Rights

The transfers from the RSA ‘Active’ Fund and accrued rights decreased from ₦214.86 billion in 2015 to ₦187.21 billion in 2016 mainly due to the payment of accrued benefits to only 29,395 as against 35,964 in 2015. This was occasioned by the inability of FGN to pay the accrued rights of its employees who retired in 2016 from the Treasury Funded Ministries, Departments and Agencies (MDAs) as a fall out of the economic recession and dropped income.

#### (ii) Investment Income

The interests and coupons earned on investments in fixed income securities (money market instruments and bonds) increased by 9% from ₦50.53 billion in 2015 to ₦55.01 billion in 2016. This development could be attributed to the high yields from investments in fixed income securities and the increase in the value of investments in the asset class during the year.

#### (iii) Net Realized Gains on Equities and Bonds

The net realized gains on the disposal of equities and bonds amounted to ₦1.06 billion. This was, however, lower in 2016 relative to 2015 due to lower bond prices and limited profit taking opportunities in the stock market.



#### **(iv) Net Unrealized Losses on Equity Investments**

The net unrealized losses on equity investments had a sharp decrease from to ~~N~~846 million in 2015 to ~~N~~136 million in 2016. The fall was due to the improved performance of the stock market in 2016 with All Share Index (ASI) recoding a negative performance of 6.17% in 2016 as against a negative performance of 17.42% in 2015.

#### **(v) Retirement Benefits Payments**

A total of ~~N~~208.01 billion was paid as retirement benefits during the year, which shows an increase of ~~N~~1.42 billion compared to ~~N~~206.59 billion paid in 2015.

#### **(vi) Fees and Taxes**

The total fees charged to the Retiree Fund was ~~N~~4.42 billion, which accounted for 7.78% of total income of ~~N~~56.30 billion generated for the Fund in 2016. This included income based fees, which is a maximum of 7.5% of the income; 5% VAT on all fees payable to the PFAs and PFCs; and audit fees for which ~~N~~35 million was charged.

### **3.7.2 Portfolio Performance**

The RSA Retiree Fund recorded a Weighted Average Rate of Return (WARR) of 12.76% in 2016. This was lower than 13.05% recorded in 2015. This could be attributed to the yields on fixed income securities in Q1:2016, which were relatively low at an average of 11.22% for FGN Securities and 7.19% for money market instruments, compared to 15.56% and 13.25% in 2015. However, yields gradually increased during the course of the year reaching an average of 16.5% on FGN securities and 17.58% on money market instruments. Despite the increased yields, especially in Q4:2016, average yields on fixed income securities in 2016 were slightly lower than in 2015, which resulted in the slightly better performance of the Retiree Fund in 2015.

### **3.7.3 Review of Asset Classes**

#### **(i) Domestic Ordinary Shares**

The value of investment of Retiree Funds' assets in quoted ordinary shares was ~~N~~2.10 billion, accounting for less than 1% of total portfolio value. This was a reduction of ~~N~~420 million from ~~N~~2.52 billion as at 31 December 2015. Investment in ordinary shares of the Financial Sub-Sector accounted for 58% of equity investments, more than 44% in 2015 mainly due to market valuation. Other significant sectoral investments were in Consumer Goods (23%); Oil & Gas (8%); and Industrial Goods (8%).

## **(ii) Federal Government of Nigeria (FGN) Securities**

As at 31 December 2016, investments in Federal Government Securities (bonds and treasury bills) were valued at N306.82 billion and accounted for 78% of total RSA Retiree Funds, compared to N306.71Billion (73%) in 2015. The term-to-maturity profile of investments in FGN Bonds is provided in Table 3.15.

**Table 3.15: Term to Maturity Profile of FGN Bonds for Retiree Fund**

<b>S/N</b>	<b>Term to Maturity</b>	<b>Amount N Billion</b>	<b>Weight %</b>
1	Below 3years	41.58	13.567
2	3years – 5years	47.65	15.548
3	Above 5years – 10yrs	79.36	25.894
4	Above 10years	137.89	44.992
	<b>Total</b>	<b>306.48</b>	<b>100.00</b>

Table 3.14 further shows that investments were still skewed towards longer tenured bonds with term-to-maturity of above 5 years. Investment in Treasury Bills (TBs) amounted to N47.54 billion, which was an increase of N19.64 billion over N27.90 billion recorded in 2015.

## **(iii) State Government Bonds**

The value of investments in State Government Bonds reduced by N2.61 billion (12.73%) from N20.51 billion in 2015 to N17.90 billion as at 31 December 2016. The reduced value was partly as a result of the maturity and full redemption of bonds issued by Imo State. The distribution of investments in the various State Government Bonds is presented in Table 3.15. The Table further reveals that investment in the bonds issued by Lagos State was the highest, with market value of N11.13 billion, which is equivalent to 62.21% of the value of total investments in State Government Bonds by Retiree Funds.

**Table 3.16: Investments in State Government Bonds by Retiree Fund**

S/N	State Governments	Credit Rating	Maturity Date	Tenor (Years)	Coupon Rate (%)	Market Value of Investment (₦ Billion)	Weight (%)
1	Bayelsa State	A	30/06/2019	9	16.50	0.82	4.58
2	Delta State	A	30/09/2018	7	14.00	2.51	14.03
3	Lagos State (Series II)	A	19/04/2017	7	10.00	1.69	9.45
4	Lagos State (Series I)	A	22/11/2019	7	14.50	2.70	15.09
5	Lagos State (Series II)	A	27/11/2020	7	13.75	5.62	31.41
6	Lagos State (Series III)	A	30/12/2023	7	16.50	1.12	6.26
7	Niger State (Series II)	A	26/09/2018	7	14.00	0.44	2.46
8	Niger State (Series III)	A	12/12/2018	5	14.00	1.94	10.84
9	Osun State	A	12/12/2019	7	14.75	1.05	5.87
	<b>Total</b>					<b>17.89</b>	<b>100.00</b>

**(iv) Corporate Debt Securities**

Investments in Corporate Debt Securities were valued at ₦36.45 billion as at 31 December 2016, that is, 8% of total portfolio value and a growth in value of 54% above ₦23.67 billion as at 31/ December 2015. Table 3.17 gives a breakdown of Retiree Fund placements in corporate debt instruments in 2016.

**Table 3.17: RSA 'Retiree' Fund Investments in Corporate Debt Securities**

S/N	Name of Issuer	Maturity Date	Tenor (years)	Coupon Rate (%)	Total Investment (₦ Million)	Weight %
1	C & I LEASING	20/11/2017	5	17.5	8.89	0.02
2	Dana Group Plc	9/4/2020	7	17%	29.67	0.08
3	FCMB SPV	16/11/2021	7	14.25	2,690.28	7.38
4	FCMB (Series 2)	11/6/2020	5	15	10,234.95	28.08
5	Fidelity Bank Plc	13/05/2022	7	16.48	2,937.95	8.06
7	Forte Oil Plc	2/12/2021	5	17.5	100.19	0.27
8	La Casera Company Plc	18/10/2018	5	15.25	246.4	0.68
9	Lafarge Africa Plc	15/06/2019	3	14.25	3,421.41	9.39
10	Lafarge Africa Plc	15/06/2021	5	14.75	5,457.85	14.97
12	Nigerian Aviation Handling Company Plc	12/5/2020	7	15.25	84.94	0.23
13	Stanbic IBTC	30/09/2024	10	13.25	841.02	2.31
14	Sterling Bank SPV	3/8/2023	7	16.5	392.15	1.08
15	Tower Funding Plc	9/9/2018	7	MPR+7/MPR+5	4.2	0.01
16	Transcorp	26/10/2022	7	15.5	205.86	0.56
17	Transcorp	4/12/2020	5	16	1,150.66	3.16
18	UBA Plc (Series 1)	30/09/2017	7	13	1,299.38	3.57
19	UBA Plc (Series 2)	20/09/2018	7	14	3,777.63	10.36
20	UBA Plc	30/12/2021	7	16.45	2,387.48	6.55
21	Wema Bank Plc	23/09/2023	7	18.5	101.89	0.28
22	Diamond Bank (Eurobond)	21/05/2019	5	8.75	1,074.39	2.95
	<b>Total</b>				<b>36,447.19</b>	<b>100.00</b>

#### **(v) Money Market Securities**

Investments in money market instruments were valued at ~~N~~34.14 billion or 8% of portfolio value of the RSA Retiree Fund as at 31 December 2016. This was lower than the value of ~~N~~59.27 billion as at 31 December 2015. There were investments in the Commercial Paper issued by Dufil Prima Foods (manufactures of Indomie Noodles). Money market investments were largely within approved investment limits with the exception of a few noted violations during the year, which were promptly addressed and subsequently regularized. All investments satisfied the quality requirements, as stipulated in the Investment Regulation.

#### **(vi) Supranational Bonds**

Placements in Supranational Bonds were valued at ~~N~~3.51 billion as at 31 December 2016. This was mainly investments in the bond issued by the African Development Bank. This investment satisfied the quality requirements stipulated in the Investment Regulation.

#### **(vii) Cash & other Assets**

The un-invested cash balance of the Retiree Fund was ~~N~~3.58 billion on 31 December 2016. The cash balances were in respect of matured tenured placements awaiting re-investment and transfers from RSA 'Active' Fund awaiting deployment.

### **3.8 Review of Closed Pension Fund Administrators (CPFAs) Fund**

The Net Assets Value of pension assets of the CPFA Funds increased by ~~N~~115.86 billion (15%) from ~~N~~755.09 billion 2015 to ~~N~~870.95 billion as at 31 December, 2016. The increase resulted from investment incomes and fresh funds injected by scheme sponsors to bridge funding deficits.

The investments of the CPFA Funds were spread across eight asset classes, namely, Ordinary Shares (Domestic – 7% and Foreign – 10%); Government Securities (FGN and State Government Bonds, Treasury bills and Agency Bonds – 48%); Real Estate Properties (15%); Domestic Money Market Instruments (4%); and Corporate Debt Securities (10%).

Investments of most CPFA Funds were valued using the IFRS standards, as all assets of these Funds were marked-to-market in terms of their valuation. The portfolio of the CPFA Funds for the year ended 31 December 2016 is presented in Table 3.18.

**Table 3.18: Portfolio of CPFA Funds as at 31 December 2016**

Asset Class	2016		2015		Variance Between 2015 and 2016	
	Amount (₦ Billion)	Weight %	Amount (₦ Billion)	Weight %	Amount (₦ Billion)	Weight %
Domestic Ordinary Shares	64.35	7.39	66.77	8.84	(2.42)	(3.62)
Foreign Ordinary Shares	84.19	9.67	68.35	9.05	15.84	23.17
FGN Securities:						
o FGN and Agency Bonds	333.28	38.26	265.64	35.18	67.64	25.46
o Treasury Bills	109.49	12.57	96.97	12.84	12.52	12.91
o State Govt. Bonds	12.56	1.44	11.32	1.50	1.24	10.95
Corporate Debt Securities	46.54	5.34	31.84	4.22	14.70	46.17
Supranational Bonds	2.51	0.29	2.51	0.33	0.00	0.00
Local Money Market Instruments	33.45	3.84	67.09	8.89	(33.64)	(50.14)
Foreign Money Market Instruments	4.65	0.53	0.13	0.02	4.52	3,476.92
Open/Close-End Funds	2.99	0.34	4.3	0.57	(1.31)	(30.47)
Real Estate Property	129.72	14.89	127.7	16.91	2.02	1.58
Private Equity	13.54	1.55	9.91	1.31	3.63	36.63
Infrastructure Funds	1.02	0.12	0.45	0.06	0.57	0.00
Cash & Other Assets	32.71	3.76	2.11	0.28	30.60	1,450.24
<b>Total CPFA Fund Assets</b>	<b>871.00</b>	<b>100.00</b>	<b>755.09</b>	<b>100.00</b>	<b>115.91</b>	<b>15.35</b>

### 3.8.1 Sources of Portfolio Growth

The breakdown of the sources of net growth for the CPFA Funds is provided in Table 3.19.

**Table 3.19: Sources of Portfolio Growth for the CPFA Funds in 2016**

Sources of Portfolio Growth	2016	2015	Variance	
	Amount (₦ Billion)	Amount (₦ Billion)	Amount (₦ Billion)	Weight (%)
New Contributions/Funds Injected by the Scheme Sponsors	56.63	55.6	1.03	1.85
Interest/Coupon Income	60.32	57.79	2.53	4.38
Dividend Income	4.33	3.98	0.35	8.79
Rental Income	7.66	6.76	0.9	13.31
Net Unrealized Gains/(Losses) on Equities & Bonds	(20.46)	(2.04)	(18.42)	902.94
Net Realized Gains/(losses) on Equities & Bonds	9.66	16.64	(6.98)	(41.95)
Exceptional Income (Exchange Gains)	58.3	0	58.3	
Payment of Retirement Benefits	(55.66)	(44.4)	(11.26)	25.36
Asset Based Fees	(4.15)	(3.93)	(0.22)	5.60
Other Charges & Expenses	(0.72)	(2.26)	(2.98)	(131.86)
<b>Total</b>	<b>115.91</b>	<b>90.40</b>	<b>25.51</b>	<b>28.22</b>

### **(i) Contributions Received/Funds Injected by Sponsors**

A total of ~~N~~56.63 billion was injected into the CPFA Funds, which was ~~N~~1.13 billion higher than ~~N~~55.60 billion injected in 2015. The amount came from funds either by Scheme sponsors or new contributions made by members of Defined Contribution Schemes.

### **(ii) Investment Incomes (Interests/Coupons)**

Total Interests/Coupons received for the year amounted to ~~N~~60.32 billion, representing an increase of ~~N~~2.53 billion (4%) over the interest income of ~~N~~57.79 billion received in 2015. This resulted primarily from increases in fixed income investments, deposit rates on money market investments and yields on FGN Securities.

### **(iii) Dividend Income**

Dividends received on investment in ordinary shares were ~~N~~4.33 billion during the year, which was higher than the dividend income of ~~N~~3.98 billion recorded in 2015. The increase in dividend received in 2016 was a reflection of better dividend pay-outs, following the slight improvement in performance of quoted companies in 2015 compared to 2014.

### **(iv) Rental Incomes**

A total of ~~N~~7.66 billion was realized as rental income on real estate properties, which was significantly higher than ~~N~~3.22 billion recorded in 2015 as a result of foreign exchange gains on rental income. However, the revaluation surplus of ~~N~~3.10 billion was mainly from real estate properties of Total CPFA, but was marginally lower than ~~N~~3.53 billion recorded in 2015.

### **(v) Net Unrealized Gains (or Losses) on Equities/Equity Funds and Bonds**

The CPFA Funds recorded net unrealized losses of ~~N~~20.46 billion on investments in bonds and equity/equity funds compared to the net unrealized losses of ~~N~~2.04 billion recorded in 2015. This was made up of unrealized losses of ~~N~~22.32 billion in investments in Bonds and unrealized gains of ~~N~~1.86 billion on investments in equity/equity funds. The losses recorded on investments in Bonds, was attributed to the effects of the continued rise in inflation rate, leading to increased yields on Bond investments and corresponding reduction in bond prices. The net unrealized gains recorded on equity investments was as a result of the performance of the NSE ASI in Q2:2016, during which it gained 16.96%. This impressive performance provided a buffer to the cumulative negative returns recorded in the capital market in year 2016.

#### **(vi) Net Realized Gains**

The CPFA Funds recorded net realized gains of ~~N~~9.66 billion comprising of realized gains of ~~N~~10.46 billion on disposal of FGN Bonds and realized losses of ~~N~~742.45 million and ~~N~~57.44 million on disposal of equities and corporate bonds respectively.

#### **(vii) Foreign Exchange Gains**

Currency exchange gains of ~~N~~58.30 billion were recorded on dollar denominated investments and rental incomes during the year. The bulk of the currency exchange gains was recorded by Shell CPFA, as a result of their substantial dollar denominated investments.

#### **(viii) Asset Based Fees**

The total asset based fees paid by the CPFA Funds in 2016 amounted to ~~N~~4.15 billion, which was an increase of 6.0% over ~~N~~3.93 billion paid in 2015. The average rate of fees charged was 0.80%, which was still below the maximum allowable rate of 1.55% of Net Assets Value. However, Shell and Total CPFA only charged custodial and regulatory fees to the Funds, as the management fees/expenses were borne by the Scheme sponsors.

#### **(ix) Other Charges and Expenses**

Other charges to the Funds related to provisions for audit expenses and taxes (VAT & Withholding Taxes).

### **3.8.2 Portfolio Performance**

The performances of the respective CPFA Funds were reflective of their portfolio mix and exposure to equity/equity fund investments. It should be highlighted that most CPFA Funds had relatively high exposure to equities/equity funds and real estate properties in line with the demographic distribution of their members. Furthermore, exposure to dollar-denominated investments impacted positively on the performance of the Funds in view of the 55% devaluation of the Naira in 2016. The Funds' performances ranged between 8% and 19% in contrast to year 2015 during which performance ranged between 7% and 15%. The rates of return for the respective Funds for year 2016 are as shown in the Table 3.20.

**Table 3.20: Return on Investment for the CPFA Funds**

S/N	CPFA Fund	Rates of Return (%)		
		2014	2015	2016
1	SHELL	4.61	12.98	18.70
2	UNICO	0.08	7.26	10.01
3	PROGRESS TRUST	2.78	8.58	10.07
4	NESTLE	7.36	11.43	11.88
5	CHEVRON	5.93	7.73	7.53
6	TOTAL	8.83	15.19	9.79
7	AGIP	12.53	15.15	12.82
	<b>Average</b>	<b>6.02</b>	<b>12.55</b>	<b>11.54</b>

### 3.8.3 Portfolio Analysis

#### (i) Domestic and Foreign Ordinary Shares

Domestic and foreign investments in ordinary shares by CPFA Funds were valued at ₦148.54 billion as at 31 December 2016, accounting for 17% of CPFA Funds' total portfolio value. This was an increase in value when compared to ₦135.12 billion recorded in 2015 and could be attributed to valuation gains on foreign currency denominated ordinary share investments.

The domestic ordinary shares portfolio valued at ₦64.35 billion declined by ₦2.42 billion (4%) from ₦66.77 billion in 2015. This was primarily due to the decline in the market value of stocks. The Industrial Goods and Oil/Gas indexes were the worst hit, as they shed 26% and 12% respectively. Equity investments in Consumer Goods accounted for 47% of domestic equity investments. Other significant investments were in Financial Services (35%); Industrial goods (11%); Conglomerates (3%) and Oil and Gas (3%).

The value of foreign equity investments grew by ₦15.83 billion (23%) from ₦68.35 billion in 2015 to ₦84.19 billion as at 31 December, 2016. This gain was primarily due to Shell CPFA's investments in the Black Rock Emerging Market Sub-Index Fund and Black Rock World Index Sub-Fund.

#### (ii) Federal Government of Nigeria (FGN) Securities

CPFA Funds' investments in Federal Government Securities were valued at ₦442.77 billion (FGN Bonds – ₦327.11 billion, Treasury bills – ₦109.49 billion and Agency Bonds – ₦6.18 billion) as at 31 December 2016 and accounted for 46% of the total portfolio value of the CPFA Funds. The TTM profile of the investments in FGN Bonds are presented in Table 3.21.



**Table 3.21: Maturity Profile of FGN Bonds held by CPFA Funds**

<b>Tenor</b>	<b>Market Value (₦ Billion)</b>	<b>Weight (%)</b>
0 - 3years	88.95	27.19
3years - 5years	74.37	22.74
5years - 10years	96.24	29.42
Above 10years	67.54	20.65
<b>Total</b>	<b>327.11</b>	<b>100.00</b>

The maturity profile of FGN Bonds as indicated in Table 3.20 showed concentration of investments in bonds with tenors of 10 years or less with highest holding of 29% in 5 – 10 year tenor bonds. This was attributed to the CPFAs' strategy to adequately manage interest rates and duration risks.

Average yields on FGN Securities as at December 2016 were 12.24%, 15.25%, 14.52%, 14.73% for bonds with 3 year, 5 year, 10 year and 20 year tenors respectively. Investments of the CPFA Funds in Treasury Bills amounted to ₦109.49 billion with an average yield of 16.78% as at 31 December, 2016.

### **(iii) State Government Securities**

Investments in State Government Bonds were valued at ₦12.56 billion representing an increase of ₦1.24 billion (11%) over ₦11.32 billion as at 31 December 2015. The increase resulted from new investments in the 16.5% Lagos State Series 1 Bond maturing in 2023.

Breakdown of CPFA Funds' investment in State Government Bonds is provided in Table 3.22

**Table 3.22: CPFA Funds' Investments in State Government Bonds**

<b>State Governments</b>	<b>Credit Rating</b>	<b>Coupon Rate (%)</b>	<b>Term to Maturity (Years)</b>	<b>Maturity Date</b>	<b>Market Value (₦ Million)</b>	<b>Weight (%)</b>
Bayelsa State	A	13.75	0.5	30-Jun-17	295.64	2.35
Delta State	A	14.00	1.75	30-Sep-18	623.35	4.96
Lagos State (Series 1)	A	14.50	2.89	22-Nov-19	5,218.66	41.53
Lagos State (Series 1)	A	16.50	6.98	23-Dec-23	3,670.76	29.21
Lagos State (Series 2)	A	10.00	0.3	19-Apr-17	1,789.52	14.24
Lagos State (Series 2)	A	13.75	3.89	19-Nov-20	966.95	7.70
<b>TOTAL</b>					<b>12,564.88</b>	<b>100.00</b>

The Lagos State Government Bond (Series 1 and 2), with 91%, accounted for the largest holding of State Government Bonds by CPFA Funds.

#### (iv) Corporate Debt Securities

Investments of the CPFA Funds in Corporate Debt Securities were valued at ₦46.54 billion (5% of the CPFA Fund Value), which was a 46% increase over the value of the CPFA investments in Corporate Debt Securities in 2015. The increase was largely as a result of increased investments, particularly in dollar denominated instruments issued by foreign counterparties, which were valued at ₦37.72 billion. On the other hand, investments in domestic counterparties were concentrated in instruments issued by three organisations and were valued at ₦6.23 billion.

#### (v) Domestic Money Market Securities

CPFAs investments in domestic money market instruments were valued at ₦33.45 billion as at December 2016, representing a 50% decrease compared to ₦67.09 billion in December, 2015. Table 3.23 provides the portfolio of domestic money market instruments held by the CPFAs as at 31 December 2016.

**Table 3.23: Money Market Portfolio of the CPFA Funds**

S/N	Banks	Amount (₦ Million)	Weight %
1	Access Bank Plc	10,982.16	32.84
2	Union Bank of Nigeria Plc	5,389.32	16.11
3	Coronation Merchant Bank Limited	3,751.03	11.22
4	Fidelity Bank Nigeria Plc	2,923.04	8.74
5	First City Monument Bank Limited	2,335.60	6.98
6	EcoBank Nigeria Limited	1,755.45	5.25
7	FSDH Merchant Bank Limited	1,421.19	4.25
8	Zenith Bank Plc	1,205.66	3.60
9	Guaranty Trust Bank Plc	1,110.90	3.32
10	Sterling Bank Plc	919.08	2.75
11	FBN Merchant Bank Limited	646.52	1.93
12	Stanbic IBTC Bank Nigeria Plc	420.41	1.26
13	First Bank of Nigeria Limited	344.21	1.03
14	United Bank for Africa Plc	202.69	0.61
15	Standard Chartered Bank Nigeria Limited	38.59	0.12
<b>Total</b>		<b>33,445.84</b>	<b>100.00</b>

Table 3.23 further reveals that 60% of the total money market investments by the CPFA Funds in 2016 were concentrated in Access Bank Plc, Union Bank Plc and Coronation Merchant Bank. It is worth noting that bank deposit rates trended upwards during the latter part of the year as yields on fixed income instruments reacted to changes in the Monetary Policy Rate in addition to the high inflation rates recorded in 2016, which peaked at 18.60% in December 2016. Average deposit rates during each quarter in year 2016 were 8.15% for Q1:2016, 9.81% for Q2:2016, 11.23% for Q3:2016 and 17.13% for Q4:2016.

#### **(vi) Foreign Money Market Securities**

Foreign money market investments by CPFAs were valued at ~~N~~4.65 billion and accounted for less than 1% of the total value of CPFA Funds. However, this was a major increase compared to ~~N~~0.13 billion invested as at 31 December 2015.

#### **(v) Supranational Bonds**

Investment in Supranational Bonds was valued at ~~N~~2.51 billion as at 31 December 2016, which also represented less than 1% of total CPFA Funds. These investments were in the Naira denominated Bond issued by African Development Bank (AfDB) and the 'Naija' Bond issued by International Finance Corporation (IFC) both of which had "AAA" ratings and satisfied other stipulated quality requirements for pension fund investments.

#### **(vi) Real Estate Properties**

Investments in Real Estate Properties by CPFA Funds were valued at ~~N~~129.72 billion, accounting for 15% of total value of the CPFA Funds 31 December 2016. This represented an increase of ~~N~~2.02 billion (2%) over ~~N~~127.70 billion in 2015 due to revaluation surpluses. Significant investments in real estate properties were notably by Shell CPFA (~~N~~50.99 billion); Chevron CPFA (~~N~~44.12 billion); and Total CPFA (~~N~~30.60 billion).

#### **(vii) Open/Closed End Funds**

Investments in Open/Closed-End Funds, which were valued at ~~N~~2.99 billion, witnessed a decline in value by ~~N~~1.30 billion compared to ~~N~~4.30 billion in 2015 due mainly to the drop in the market value of the underlying assets.

#### **(viii) Private Equity (PE) Funds**

The value of investments in PE Funds was ~~N~~13.54 billion as at 31 December 2016. Investments in this asset class has increased by ~~N~~3.63 billion (36.63%) over the value invested as at December 2015. The increase was attributed to additional capital calls on investments in the African Capital Alliance CAPE III and IV Funds as well as foreign exchange gains.

### (ix) Infrastructure Fund

Investments in Infrastructure Funds valued at ₦1.02 billion were only in the ARM-Harith Fund (ARMHIF). The increase of ₦0.57 billion recorded in 2016, was due to additional capital calls on investments during the year. Only three CPFA Funds invested in this asset class.

### (x) Cash & Other Assets

Cash & Other assets were valued at ₦32.71 billion as at 31 December 2016. This comprised of matured tenured deposits awaiting re-investment, new fund inflows from Scheme sponsors as well as cash provisions to meet the liquidity requirements of the Funds for payment of monthly pensions to retirees.

## 3.9 Review of Approved Existing Scheme (AESs) Fund

The net value of pension fund assets of Approved Existing Schemes (AES) increased from ₦671.81 billion in 2015 to ₦694.70 billion as at 31 December 2016, indicating a net growth of ₦22.89 billion (3%). The net increase was primarily attributed to new contributions/funds injected by Scheme Sponsors and interest/coupon income. Table 3.24 provides the portfolio of the AES Funds for the year ended 31 December 2016.

**Table 3.24: Portfolio of AES Funds as at 31 December 2016**

Portfolio Mix	2016		2015		Variance	
	Amount (₦ Billion)	Weight %	Amount (₦ Billion)	Weight %	Amount (₦ Billion)	Weight %
Ordinary Shares	92.92	13.38	102.73	15.00	(9.81)	(9.55)
FGN Securities	409.20	58.90	351.1	52.00	58.10	16.55
State Govt. Securities	18.57	2.67	22.84	3.00	(4.27)	(18.68)
Corporate Debt Securities	27.98	4.03	26.8	4.00	1.18	4.41
Supra-National Bonds	0.01	0.00	-	0.00	0.01	0.00
Money Market Instruments	49.02	7.06	76.85	11.00	(27.83)	(36.22)
Open/Close-End Funds	2.06	0.30	3.81	0.00	(1.75)	(45.85)
Real Estate Properties	89.76	12.92	86.49	13.00	3.27	3.78
Cash & Other Assets	5.19	0.75	1.19	0.00	4.00	335.87
<b>Total</b>	<b>694.70</b>	<b>100.00</b>	<b>671.81</b>	<b>100.00</b>	<b>22.89</b>	<b>3.41</b>

Investments of the AES Schemes were spread across eight asset classes, namely, Quoted Ordinary Shares (13%); Federal Government Securities (59%); State Government Securities (3%); Corporate Debt Securities (4%); Money Market Instruments (7%); Real Estate Properties (13%); and Open/Closed End Funds (1%). The pension assets were invested in line with the respective Schemes' Internal Investment Guidelines and satisfied the minimum quality requirements stated in the Investment Regulation issued by the Commission.

### 3.9.1 Sources of Portfolio Growth/Diminution

The total value of AES Funds recorded a net growth of ~~N~~22.89 billion as Net Assets Value (NAV) of the Fund increased from ~~N~~671.81 billion on 31 December 2015 to ~~N~~694.70 billion as at 31 December 2016. The breakdown of the sources of AES Portfolio growth is given in Table 3.25.

**Table 3.25: Sources of Portfolio Growth for the AES Funds in 2016**

Sources of Growth	2016	2015	Variance	
	<del>N</del> Billion	<del>N</del> Billion	<del>N</del> Billion	(%)
New Contributions/Funds Injected by the Scheme Sponsors	39.21	37.75	1.46	3.87
Interest/Coupon Income	59.26	52.25	7.01	13.42
Dividends Received	5.62	5.10	0.52	10.20
Rental Income	0.36	0.15	0.21	137.80
Revaluation Surplus on Real Estate Properties	3.28	3.21	0.07	2.18
Net Realized Gains/(losses)	2.14	0.56	1.58	282.45
Net Unrealized Gains/(Losses)	(24.62)	(15.51)	(9.11)	58.74
Payment of Retirement Benefits	(50.83)	(57.35)	6.52	-11.37
Asset Based Fees/Other Charges	(8.01)	(6.68)	(1.33)	19.91
Transfer to RSA 'Active' Fund	(3.53)	(2.49)	(1.04)	41.61
<b>Total</b>	<b>22.89</b>	<b>16.99</b>	<b>5.90</b>	<b>34.70</b>

#### (i) Contributions/ Funds Injected by Scheme Sponsors

New fund inflows amounted to ~~N~~39.21 billion and represented pension contributions and funds injected by Scheme Sponsors to bridge funding deficits where required. The most significant inflows during the year were into the NNPC AES Fund (~~N~~20 billion), ExxonMobil Fund (~~N~~12 billion) and the Jigawa State Fund (~~N~~2 billion).

#### (ii) Interest/Coupon Income

The major source of AES Portfolio growth during the year was from Interests/Coupons on fixed income investments, which amounted to ~~N~~59.26 billion and represented an increase of ~~N~~7.01 billion over the interest income figure of ~~N~~52.25Billion recorded in 2015. The increase in Interests/Coupons was attributed to increased investments by the AES Funds in fixed income securities in 2016.

#### (iii) Dividends

Dividends received on investment in ordinary shares were ~~N~~5.62 billion, which is marginally higher than receipts of ~~N~~5.10 billion in 2015. The increase in

dividend received in 2016 was a reflection of the slight improvement in performance of companies quoted on the Nigerian Stock Exchange during the year.

#### **(vi) Rental Income**

Rental income increased from ₦151.35 million in 2015 to ₦361.25 million in 2016. The increase can be attributed to the outstanding accumulated rent payables.

#### **(vii) Revaluation Surplus**

There was a revaluation surplus of ₦3.28 billion on the real estate properties of the WAEC Fund.

#### **(viii) Net Unrealized Losses**

The AES Schemes recorded net unrealized losses on equity and bond investments amounting to ₦24.62 billion in 2016. This was 58.74% increase compared to the unrealized losses of ₦15.51 billion recorded in 2015 and could be wholly attributed to unrealized losses on bonds investments of some Funds.

#### **(ix) Net Realized Gains**

The net realized gains totalled ₦2.14 billion as at 31 December 2016, which indicated an increase of ₦2.08 billion compared to the net realized gains of ₦0.56 million recorded in 2015. The gains were mostly from the sale of equities and bonds by three AES Funds.

#### **(x) Payments of Retirement Benefits**

A total of ₦50.83 billion was paid as retirement benefits in 2016, which was lower than ₦57.35 billion paid out in 2015.

#### **(xi) Asset/Income Based Fees**

The total Asset/Income Based Fees paid was ₦7.19 billion as at 31 December 2016, while other charges amounting to ₦820 million represented statutory charges such as WHT and other charges on investments. The average charge was 1.01% of the NAV, which was lower than the maximum allowable rate of 1.55%.

### 3.9.2 Portfolio Performance

The Return on Investment (ROI) on the AES Funds in year 2016 ranged between -1.90% and 12.52% and was largely dependent on the exposure of individual funds to variable and fixed income securities. This performance was a decline when compared to the performance in year 2015, which ranged between 3.53% and 16.24%. The result could be attributed to the performance of the capital market, which declined by 6.17% in year 2016 as well as the dip in prices of FGN Bonds in reaction to the high inflation rates recorded in 2016.

**Table 3.26: Return on Investment by AES Funds in 2016**

<b>Fund</b>	<b>Total Assets (₦ Billion)</b>	<b>Rate of Return (%)</b>
NNPC Staff Pension Scheme	209.95	12.52%
ExxonMobil Nigeria Upstream Pension Trust	114.61	(1.90%)
Central Bank of Nigeria Staff Pension Fund	70.78	11.03%
NSITF Pension Fund	62.93	4.91%
West African Examinations Council Staff Pension Fund	28.84	10.74%
Jigawa (State and Local Governments) Pension Fund	16.87	10.63%
MTN Nigeria Employees Retirement Scheme	15.53	11.35%
Unilever Pension Fund	5.69	14.10%

### 3.9.3 Review of Asset Classes

#### (i) Domestic Quoted Equities

Investments in quoted ordinary shares were valued at ₦92.92 billion as at December 2016 and accounted for 13% of total AES Funds. This was a reduction in value when compared with the ordinary share portfolio value of ₦102.73 billion as at 31 December 2015. The decrease in the value of ordinary shares was primarily due to market valuation as reflected by the performance of both the Nigerian Stock Exchange All Share Index (NSE-ASI) and Market Capitalization during the year. The Industrial Goods and Oil/Gas indexes were the worst hit, as they shed 26% and 12% respectively as at year end.

The Consumer Goods had the highest placement with 37% of total equity investments. Other significant investments were in Financial Sub-sector (35%), Industrial Goods (17%) and Conglomerates (3%).

#### (ii) Federal Government of Nigeria (FGN) Securities

Investments in Federal Government Securities (Bonds and Treasury Bills) were valued at ₦409.2 billion (FGN Bonds – ₦303.59 billion, Treasury Bills – ₦409.2 billion), representing 59% of the AES portfolio. This indicated an increase of ₦58.10 billion over ₦351.10 billion as at December 2015 and could be attributed

to coupons received as well as increased investments. The Term to Maturity (TTM) profile of investments in FGN Bonds is provided in Table 3.27.

**Table 3.27: Maturity Profile of AES Investments in FGN Bonds**

S/N	Term to Maturity	Amount (₦ Billion)	Weight (%)
1	Below 3years	48.79	16.07
2	3years – 5years	70.12	23.10
3	Above 5years – 10yrs	86.31	28.43
4	Above 10years	98.36	32.40
	<b>Total Bonds</b>	<b>303.58</b>	<b>100.00</b>

The distribution of investments in FGN Bonds as shown in the table above, indicated a reasonable spread across the various tenor buckets.

### (iii) State Government Securities

The value of investments in State Government Bonds was ₦18.57 billion, representing a 19% decrease in the value of investments in this asset class in 2015. The decrease was a result of the maturity of the bonds issued by Imo State in year 2016.

**Table 3.28: Investment of AES Funds in State Government Bonds**

State Government	Credit Rating	Coupon Rate (%)	Term to Maturity (Years)	Maturity Date	Market Value ₦ Million	Weight (%)
Bayelsa	A	13.75	0.50	30-Jun-17	1,013.64	6.31
Delta	A	14.00	1.75	30-Sep-18	2,022.31	12.59
Lagos State (Series 1)	A	14.50	2.89	22-Nov-19	1,626.60	10.13
Lagos State (Series 1)	A	16.50	6.98	23-Dec-23	601.89	3.75
Lagos State (Series 2)	A	10.00	0.30	19-Apr-17	4,351.82	27.09
Lagos State (Series 2)	A	13.50	3.91	27-Nov-20	4,335.84	26.99
Niger State (Series 2)	A	14.00	1.76	04-Oct-18	80.1	0.50
Niger State (Series 3)	A	14.00	1.95	12-Dec-18	429.6	2.67
Osun State	A	14.75	2.95	12-Dec-19	1602.44	9.98
<b>Total</b>					<b>16,064.24</b>	<b>100.00</b>

Investments in bonds issued by Lagos State Government accounted for 67.96% of total investment in State Government Bonds by the AES Funds. Other major investments were in bonds issued by Delta (13%) and Bayelsa (6%).

### (iii) Corporate Debt Securities

Investments of the AES Funds in Corporate Debt Securities were valued at ₦27.98 billion, accounting for 4% of the total value of AES Funds. The ₦1.18 billion increase over the value in 2015 represented new investments made



during the year as well as interest incomes. Corporate bonds issued in 2016, which qualified for pension fund investment included the Lafarge Africa Plc, ₦ 100 billion Debt Issuance Programme, which was issued at a coupon rates of 14.25% and 14.75% for the two tranches issued.

#### (iv) Domestic Money Market Securities

Investments of the AES Funds in Domestic Money Market instruments were valued at ₦49.02 billion (7%) as at 31 December, 2016, representing a decrease of 36% when compared to ₦76.85 billion as at 31 December 2015. This decrease was attributed to the re-investment of matured money market instruments in high yielding government securities. Money market investments were spread across 14 banks as shown in Table 3.29.

**Table 3.29: Money Market Placements by AES Funds in 2016**

S/N	Banks	Amount (₦ Million)	Weight (%)
1	Access Bank Plc	15,111.05	30.83
2	United Bank for Africa Plc	9,576.29	19.54
3	Coronation Merchant Bank Limited	3,919.31	8.00
4	FSDH Merchant Bank Limited	3,429.53	7.00
5	Guaranty Trust Bank Plc	2,704.17	5.52
6	EcoBank Nigeria Limited	2,540.41	5.18
7	Union Bank of Nigeria Plc	2,388.77	4.87
8	First City Monument Bank Limited	2,094.73	4.27
9	Fidelity Bank Nigeria Plc	2,001.83	4.08
10	Sterling Bank Plc	1,951.14	3.98
11	Zenith Bank Plc	1,633.31	3.33
12	Unity Bank Plc	843.97	1.72
13	Wema Bank Plc	790.29	1.62
14	Standard Chartered Bank Nigeria Limited	30.52	0.06
<b>Total</b>		<b>49,015.32</b>	<b>100.00</b>

#### (v) Open/Closed End Funds

Investments of the AES Funds in Open/Closed End Funds were valued at ₦2.06 billion, which is less than 1% of the total value of the AES portfolio as at 31 December, 2016. This represented a decrease in value when compared with ₦3.81 billion as at December 2015. These investments were spread across 9 Collective Investment Schemes and 1 Real Estate Investment Trust, with the largest holding in the Stanbic IBTC Nigeria Equity Fund which accounted for 46% of investments. Other major investments were in the ARM Aggressive Growth Fund (18.1%), and ARM Discovery Fund (11.8%).

## **(vi) Real Estate Properties**

Real Estate Properties were valued at ~~N~~89.76 billion (13%) as at December 2016, which was an increase of ~~N~~3.27 billion as a result of revaluation when compared to ~~N~~86.49 billion as at December 2015. It is important to note that these investments were legacy real estate assets transferred to the Funds by the Scheme Sponsors.

## **(vii) Cash & Other Assets**

Un-invested cash was valued at ~~N~~5.19 billion as at 31 December 2016, representing matured investments awaiting re-investment as well as cash provisions to meet liquidity requirements of the funds.

### **3.10 Other Important Issues of Note**

#### **3.10.1 Regulatory Supervision Agreement with FMDQ OTC Plc**

The Commission had signed a Regulatory Supervision Collaboration Agreement with FMDQ OTC Plc, in April 2016, aimed at enhancing the Commission's supervisory function, by enabling the effective monitoring, online real time, of the transactions of Licensed Pension Operators in fixed income securities namely FGN/State Government Bonds, Treasury Bills, Corporate Bonds and Money Market Instruments. Preparations had been concluded for going live in 2017 and it is expected to take-off in the first quarter, 2017.

#### **3.10.2 Amended Regulation on Investment of Pension Fund Assets**

The draft Amended Regulation on Investment of Pension Fund Assets (the Regulation) is yet to be approved due to the absence of a constituted Board for the Commission. The proposed amendments to the Regulation seek to broaden the available asset classes for pension fund investments especially in infrastructure and real estate as well as appropriately align the demographic distribution of contributors with their risks appetite. This is to enable proper matching of pension assets with ensuing pension liabilities and enhance returns to contributors. It is expected that the draft regulation would be approved in 2017.

### **3.11 Processing of Retirement/Terminal Benefits**

#### **3.11.1 Retirement on Programmed Withdrawal**

The total number of retirees on programmed withdrawal increased from 126,775 in 2015 to 142,742 as at 31 December 2016 as shown in Table 3.30. This represents an increase of 12.59 percent over the 2015 figures. A breakdown of the total number of retirees showed that while the Federal Government of Nigeria (FGN) retirees accounted for 89,944 (63.01 percent), the States

accounted for 10,587 (7.42 percent) while the private sector accounted for 42,211 (29.57 percent) during the year.

**Table 3.30: Payment of Retirement Benefits through Programmed Withdrawal**

Sector	Number of Retirees				Average Monthly Pension (₦ Million)	Lumpsum (₦ Million)
	FGN	State	Private	Total		
Cumulative To 2014	74,529	5,430	23,122	103,081	3,204.76	249,773.72
2015	9,148	3,354	11,192	23,694	978.72	66,981.62
2016	6,267	1,803	7,897	15,967	632.68	50,257.40
<b>Total</b>	<b>89,944</b>	<b>10,587</b>	<b>42,211</b>	<b>142,742</b>	<b>4,816.16</b>	<b>367,012.74</b>

As shown in Table 3.30, the sum of ₦66.98 billion, and ₦978.72 million were paid as total lumpsum and average monthly pension respectively for the year 2015, while the sums of ₦50.26 billion and ₦632.68 million were paid as total lumpsum and monthly pension respectively as at the year 2016. The cumulative average monthly Programmed Withdrawal from inception to 31 December, 2016 is ₦4.82 billion, while the cumulative lumpsum paid from inception to date stood at ₦367.01 billion.

### 3.10.2 Retirement on Annuity

A comparison of the number of retirees operating annuity (34,876) relative to programmed withdrawals (142,742) showed that 19.64% of the retirees were under annuity, while 80.36% were under programmed withdrawals. The total number of retirees on Annuity increased from 26,333 in 2015 to 34,876 as at 31 December 2016. As shown in Table 3.24, a breakdown of the total number of retirees shows that, while the FGN retirees accounted for 22,646 (64.93 percent), the States retirees were 3,367 (9.65 percent) while the private sector retirees were 8,863 (25.41 percent) as at the end of the year. The number of retirees on annuity has increased by 32.45 percent from December 2015 to December 2016.

**Table 3.31: Payment of Retirement Benefits through Annuity**

Sector	Number of Retirees				Average Monthly Annuity (₦ Million)	Lumpsum (₦ Million)	Premium (₦ Million)
	FGN	State	Private	Total			
Cumulative To 2014	9,650	1,255	3,157	4,062	691.89	24,351.51	69,458.48
2015	7,674	1192	3,404	12,270	666.56	13,536.44	60,144.47
2016	5,322	920	2,302	8,544	389.95	9,202.87	40,968.01
<b>TOTAL</b>	<b>22,646</b>	<b>3,367</b>	<b>8,863</b>	<b>34,876</b>	<b>1,748.40</b>	<b>47,090.82</b>	<b>170,570.96</b>

Table 3.31 shows that the cumulative Average Monthly Annuity paid to retirees from inception to date was ₦1.75 billion, after collecting a cumulative lumpsum of ₦47.09 billion. The total premium transferred to Insurance Companies from inception to date is ₦170.57 billion.

Further analysis confirmed that although retirees under programmed withdrawal were significantly higher than those under annuity, the growth rate of retirees under annuity over the years has showed some high level of awareness on the product and increase in the competitive nature of modes of withdrawal.

### 3.10.3 Enbloc Payment to Retirees/Foreigners

During the year under review, approval was granted during the year for en bloc payment of RSA balances amounting to ₦3.33 billion that was insufficient to fund 50 percent of last emoluments of 12,328 retirees either by Programmed Withdrawal or Annuity.

**Table 3.32: En bloc Payment of Retirement Benefits**

Sector	Number of Retirees					Amount (₦ Million)
	FGN	State	Private	Total	% of Total	
Cumulative To 2014	5,360	421	42,233	48,014	63.52	10,765.03
2015	348	625	14,279	15,252	20.18	4,148.16
2016	270	539	11,519	12,328	16.31	3,329.21
<b>Total</b>	<b>5,978</b>	<b>1,585</b>	<b>68,031</b>	<b>75,594</b>	<b>100.00</b>	<b>18,242.40</b>

### 3.11.4 Payment of Death Benefits

During the year under review, approvals were granted for payment of death benefits to 4,961 deceased employees of the FGN, State and Private Organizations amounting to ₦16,938.940 million. The cumulative payment stood at ₦111,217.64 million which was paid to Next-of-Kin of 37,365 deceased employees from inception to 31 December, 2016.

**Table 3.33: Payment of Death Benefits**

Sector	Number of Retirees				Amount (₦ Million)
	FGN	State	Private	Total	
Cumulative To 2014	20,886	573	4,462	25,921	72,738.00
2015	4,097	1,040	1,346	6,483	21,540.70
2016	2,966	617	1,291	4,874	16,938.94
<b>Total</b>	<b>27,949</b>	<b>2,230</b>	<b>7,099</b>	<b>37,278</b>	<b>111,217.64</b>

### 3.11.5 Retirement Benefits on Medical/Health Grounds

This relates to the benefits of those who retired from employment on medical grounds as certified by Qualified Physicians or Medical Board. During the year under review, retirees on medical grounds increased from 283 as at 31 December, 2015 to 320 as shown in Table 3.34. This represents an increase of 13.1%. The breakdown in the table further shows that the private sector accounted for 254 (or 79.4%) of the retirees). The total amount of ₦54.88 billion was approved for payment as lumpsum in respect of the 37 retirees in 2016 bringing the cumulative amount from inception to ₦174.01. Total average monthly payment in 2016 was ₦0.66 billion while cumulative average monthly payment from inception was ₦85 billion.

**Table 3.34: Payment of Retirement Benefits on Medical Ground**

Sector	Number of Retirees				Lumpsum (₦ Million)	Monthly (₦ Million)
	FGN	State	Private	Total		
Cumulative To 2014	48	2	233	283	119.13	18.19
2015	0	0	0	0	0	0
2016	16	0	21	37	54.88	0.66
<b>Total</b>	<b>64</b>	<b>2</b>	<b>254</b>	<b>320</b>	<b>174.01</b>	<b>85</b>

Note: Retirees on medical grounds were treated as normal retirees and placed on Programmed Withdrawal.

### 3.11.6 Withdrawal of 25 percent of RSA Balance

This represent temporary access to RSAs for withdrawal of 25 percent of RSA balances made by persons (RSA holders) who were disengaged or retired before the age of 50 years and have stayed 4 months without securing employment. During the year under review, approvals were granted for payment of ₦15.66 billion, to 44,025 RSA holders. A breakdown showed that Federal and States Governments accounted for 1,514 and 716 RSA holders respectively, while the Private Sector stood at 41,795.

These figures showed a decline in the turnover rate of staff in year 2016 compared to 2015. From inception to date, a total of 192,905 RSA holders in this category have collected a cumulative amount of ₦61.89 billion. This represent a growth of 29.57 percent in the cumulative number of disengaged employees over the figures of 2015.

**Table 3.35: Payment of 25 percent to RSA Holders**

Sector	Number of RSA Holders				Amount (₦ Million)
	FGN	State	Private	Total	
Cumulative To 2014	3,685	778	92,245	96,708	31,621.79
2015	1,085	999	50,088	52,172	14,611.30
2016	1,514	716	41,795	44,025	15,656.66
<b>TOTAL</b>	<b>6,284</b>	<b>2,493</b>	<b>184,128</b>	<b>192,905</b>	<b>61,889.75</b>

### 3.11.7 Life Insurance Policy for Employees

In compliance with the PRA, 2014, 9,194 employers of labour covered under the Contributory Pension Scheme submitted their Certificates of Group Life Insurance Policy covering over 211,316 employers in the year under review. The submissions included the ones made in pursuant to the request for issuance of Pension Compliance Certificates as well as those employers who have made no request for Certificate. While 9,190 certificates were rendered by the employers in the Private sector of the economy, 4 Federal Government Institutions had submitted while the State Governments did not render any certificate in the year 2016.

**Table 3.36: Submission of Group Life Insurance Certificates for the year 2016**

S/No	Sector	Number of Employers	Number of Employees
1	Private Sector	9,190	211,117
2	Government Institutions	4	199
3	State Government	0	0
	<b>Total</b>	<b>9,194</b>	<b>211,316</b>

### **3.10.8 Missing Person**

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

### **3.10.9 Implementation of Minimum Pension Guarantee (MPG)**

The Commission concluded the Framework and Guidelines of PPF and MPG during the year. The stakeholders were notified to make provisions for the funding of the PPF in the 2017 budget. Thus, 1% of the monthly wage bill of the Public Service would be required to be set aside to fund the MPG as well as levies being placed on the Commission and Pension Operators.

## PART FOUR: PENSION OPERATORS STATISTICS

### 4.1 RSA Registration by PFA

The PFAs registered a total number of 7,348,0289 RSA holders as at 31 December, 2016 (see Table 4.1). An analysis of membership by PFAs shows that Stanbic IBTC PFA has the highest proportion of RSA registrations with 20.92 percent of the total registration. Trustfund Pensions Plc and Sigma Pensions Limited followed with 9.18 and 8.79 percent respectively. IGI and Investment One Pension Fund Managers Limited registered 0.06 and 0.81 percent of the RSA holders respectively.

**Table 4.1: RSA Registrations by PFA as at 31 December 2016**

S/N	NAME OF PFA	RSA Registration	Weigh (%)
1	AllCO Pension Managers Limited	206,452	2.81
2	APT Pension Funds Managers Limited	108,695	1.48
3	ARM Pension Managers Limited	635,568	8.65
4	AXA Mansard Pensions Limited	63,649	0.87
5	Crusader Sterling Pension Limited	267,928	3.65
6	Fidelity Pension Managers Limited	146,039	1.99
7	First Guarantee Pension Limited	230,121	3.13
8	Future Unity Glanvills Pensions Limited	111,331	1.52
9	IEI-Anchor Pension Managers Limited	99,515	1.35
10	IGI Pension Fund Managers Limited	4,746	0.06
11	Investment One Pension Managers Limited	59,441	0.81
12	Leadway Pensure PFA Limited	499,424	6.80
13	Legacy Pension Managers Limited PFA	346,156	4.71
14	NLPC Pension Fund Administrators Ltd	250,918	3.41
15	NPF Pension Managers	243,830	3.32
16	Oak Pensions Limited	178,197	2.43
17	Pension Alliance Limited	451,265	6.14
18	Premium Pension	587,264	7.99
19	Sigma Pension Limited	645,953	8.79
20	Stanbic IBTC Pension Managers Limited	1,537,191	20.92
21	Trust Fund Pension PLC	674,345	9.18
	<b>Total</b>	<b>7,348,028</b>	<b>100.00</b>

A further analysis of PFAs ranking indicates that the top 3 PFAs accounted for 38.89 percent of total RSA registrations as demonstrated in Table 4.2. The top 5 and top 10 PFAs accounted for 55.53 and 80.24 percent proportion of the total RSA registrations respectively.



**Table 4.2: RSA Registrations by Rank of PFAs**

Rank	Total	Percentage of Total (%)
Top 3	2,857,489	38.89
Top 5	4,080,321	55.53
Top 10	5,896,012	80.24
Bottom 3	127,836	1.74
Bottom 5	336,046	4.57
Bottom 10	1,208,186	16.44

Furthermore, Table 4.2 shows that the bottom 3 PFAs accounted for 1.74 percent of total RSA registration. The bottom 5 and 10 PFAs accounted for 4.57 and 16.44 percent respectively during the review period.

## 4.2 Pension Fund Assets under the Management of PFAs

An analysis of the RSA Active and Retiree Funds under the Management of PFAs shows that Stanbic IBTC Pension Managers represent 37.21 percent of the total assets as at the reporting period as presented in Table 4.3 below. ARM Pension Managers and Premium Pension limited that make up the top three ranked PFAs accounted for 8.82 and 8.17 respectively.

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

PFA	RSA Active ₦ 'Million	RSA Retiree ₦ 'Million	Total (₦ Million)	Weight (%)
AIICO Pension Managers Limited	61,273.12	3,018.96	64,292.08	1.42
APT Pension Funds Managers Limited	31,572.56	1,393.40	32,965.96	0.73
ARM Pension Managers Limited	360,310.78	39,932.02	400,242.80	8.82
AXA Mansard Pensions Limited	11,857.57	545.67	12,403.24	0.27
Crusader Sterling Pension Limited	123,353.75	17,846.37	141,200.11	3.11
Fidelity Pension Managers Limited	34,664.91	1,479.37	36,144.28	0.80
First Guarantee Pension Limited	107,171.71	18,338.97	125,510.68	2.77
Future Unity Glanvills Pensions Limited	36,381.18	4,235.51	40,616.68	0.90
IEI-Anchor Pension Managers Limited	23,191.85	1,520.95	24,712.80	0.54
IGI Pension Fund Managers Limited	1,071.48	78.72	1,150.20	0.03
Investment One Pension Managers Limited	5,125.96	1,024.63	6,150.59	0.14
Leadway Pensure PFA Limited	196,205.60	19,556.09	215,761.69	4.76
Legacy Pension Managers Limited PFA	123,096.23	14,951.89	138,048.12	3.04
NLPC Pension Fund Administrators Ltd	123,964.39	21,607.90	145,572.28	3.21
NPF Pension Managers	274,071.05	0	274,071.05	6.04
Oak Pensions Limited	51,054.12	5,033.34	56,087.46	1.24
Pension Alliance Limited	196,891.56	17,036.30	213,927.86	4.71
Premium Pension	331,411.53	39,491.37	370,902.89	8.17
Sigma Pension Limited	214,550.34	39,992.41	254,542.74	5.61
Stanbic IBTC Pension Managers Limited	1,520,553.15	167,992.16	1,688,545.31	37.21%
Trust Fund Pension PLC	257,770.80	36,885.93	294,656.72	6.49%
<b>Total</b>	<b>4,085,543.62</b>	<b>451,961.96</b>	<b>4,537,505.54</b>	<b>100%</b>

Further analysis of the PFAs ranking based on the pension assets under management showed that the top 5 PFAs and top 10 PFAs had 66.74 percent

and 88.14 percent of the total assets under their management as shown in Table 4.4.

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

<b>Rank of PFA</b>	<b>Percentage of Total</b>
Top 3	54.21
Top 5	66.74
Top 10	88.14
Bottom 3	0.43
Bottom 5	1.71
Bottom 10	8.82

### 4.3 Pension Fund Contributions by PFA

A summary of the Pension Fund contributions received by PFAs suggest that one PFA had 33.68 percent of total pension fund contributions from inception to the end of 2016. The position also shows that the subsequent PFAs had 9.51 and 8.62 percent of the total pension contributions respectively as shown in Table 4.5.

**Table 4.5: Pension Fund Contribution by PFA**

<b>S/N</b>	<b>PFA</b>	<b>₦ Million</b>	<b>% of Total</b>
1	AIICO Pension Managers Limited	62,671.13	1.60
2	APT Pension Funds Managers Limited	23,906.95	0.61
3	ARM Pension Managers Limited	337,871.33	8.62
4	AXA Mansard Pensions Limited	12,183.37	0.31
5	Crusader Sterling Pension Limited	121,690.32	3.11
6	Fidelity Pension Managers Limited	29,098.07	0.74
7	First Guarantee Pension Limited	129,251.50	3.30
8	Future Unity Glanvills Pensions Limited	33,955.99	0.87
9	IEI-Anchor Pension Managers Limited	22,403.80	0.57
10	IGI Pension Fund Managers Limited	675.08	0.02
11	Investment One Pension Managers Limited	5,966.14	0.15
12	Leadway Pensure PFA Limited	190,493.87	4.86
13	Legacy Pension Managers Limited PFA	159,402.60	4.07
14	NLPC Pension Fund Administrators Ltd	112,105.91	2.86
15	NPF Pension Managers	237,890.66	6.07
16	Oak Pensions Limited	57,757.50	1.47
17	Pension Alliance Limited	198,107.74	5.06
18	Premium Pension	372,569.36	9.51
19	Sigma Pension Limited	212,251.71	5.42
20	Stanbic IBTC Pension Managers Limited	1,319,926.92	33.68
21	Trust Fund Pension PLC	278,779.25	7.11
	<b>Total</b>	<b>3,918,959.20</b>	<b>100.00</b>

A categorization of PFAs by market share of pension contributions illustrates that the top 3 and the bottom 3 PFAs had 51.81 percent and 0.48 percent share of total pension contributions respectively as shown in Table 4.6.

**Table 4.6: Pension Fund Contribution by Rank of PFA**

<b>Rank of PFA</b>	<b>Total (N' Million)</b>	<b>% of Total</b>
Top 3	2,030,367.62	51.81
Top 5	2,547,037.53	64.99
Top 10	3,436,544.94	87.69
Bottom 3	18,824.60	0.48
Bottom 5	65,135.34	1.66
Bottom 10	360,723.94	9.20

## **PART FIVE: OUTLOOK OF THE PENSION INDUSTRY**

### **5.1 Regulatory and Supervisory Outlook of the Pension Industry**

A key change from the previous Act incorporated in the Pension Reform Act 2014 is the inclusion of the informal sector in the Contributory Pension Scheme (CPS). Prior to the enactment of this Act, only individuals working in the formal sector were covered by the provisions of the law for private sector employment. This has been considered in the strategic direction of the Commission and the pension industry in the developed strategy termed inclusive and expanded coverage. Plans are currently in motion for the launch of the proposed informal sector pension scheme termed “Micro Pension” for 2017. This will help increase the number of contributors to the CPS, drive greater participation in the scheme, provide better awareness and ensure excellence in service delivery.

As part of efforts to ensure further improvements in service delivery and increased customer satisfaction, the Commission is deploying a Pension Administration System (PAS) which will replace the Risk Management and Analysis System (RMAS). This state of the art information technology software would improve the current processes for the management and administration of the Retirement Savings Account (RSA's) of contributors, allow the timely and accurate submission of returns by operators, which in turn would enable the Commission to conduct a more reliable off-site examination of pension operators, ensure minimal application downtime, and provide a centralised data management system.

The PRA 2014 also made provision allowing RSA holders to use a portion of their RSA balances for mortgages. A draft guideline has been produced and is undergoing the approval process. It is expected that in 2017, the Commission would release the approved guidelines for accessing mortgage by RSA holders under the Contributory Pension Scheme.

As part of efforts to deepen the financial sector, the Commission will continue to collaborate with other regulatory agencies to ensure optimum use of the pension fund assets for economic development. There are ongoing engagements around impact financing, green bond development, expansion of the infrastructure component use of pension assets, etc. Collaborations with regulators would be intensified such as the Securities and Exchange Commission (SEC) to encourage the development of the corporate bond market; Debt Management Office (DMO) to enhance the secondary market for government bonds and in the development of indexed bonds; and the Central Bank of Nigeria in deepening the non-interest finance in order to successfully establish the multi-fund structure for pension fund 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	<a href="mailto:elonge@aiicopension.com">elonge@aiicopension.com</a> <a href="http://www.aiicopension.com">www.aiicopension.com</a>
2	ARM Pension Managers (PFA) Limited	Wale Odutola	5, Mekunwen Road Off Onyinkan Abayomi Drive Ikoyi, Lagos	08033048473	<a href="mailto:wale.odutola@armpension.com">wale.odutola@armpension.com</a> <a href="http://www.armpension.com">www.armpension.com</a>
3	Apt Pension Funds Managers Limited	Dr. Al-Mujtaba Abubakar	Federal Mortgage Bank House, Plot 266, Cadastral AO, Central Business District, Garki, Abuja	08033146939	<a href="mailto:gummi@aptpension.com">gummi@aptpension.com</a> <a href="http://www.aptpensions.com">www.aptpensions.com</a>
4	AXA Mansard Pensions Limited	Oladapo O. Akinsanya	21b Olosa Street, Victoria Island Lagos	08034881902	<a href="mailto:dapo.akisanya@axamansardpensions.com">dapo.akisanya@axamansardpensions.com</a> Website: <a href="http://www.axamansardpensions.com">www.axamansardpensions.com</a>
5	Crusader Sterling Pensions Ltd	Adeniyi Falade	Plot 14, Keffi Street Off Awolowo Way Ikoyi, Lagos	08058004953	<a href="mailto:adeniyi.falade@crusaderpensions.com">adeniyi.falade@crusaderpensions.com</a> <a href="http://www.crusaderpensions.com">www.crusaderpensions.com</a>
6	Fidelity Pension Managers Limited	Amaka Andy-Azke (Ag.MD/CEO)	2 Adeyemo Alakija Street, Victoria Island, Lagos	08033257523,	<a href="mailto:amaka.azike@fidelitypensionmanagers.com">amaka.azike@fidelitypensionmanagers.com</a>  <a href="http://www.fidelitypensionmanagers.com">www.fidelitypensionmanagers.com</a>

**Table 6.1: Pension Fund Administrators (Cont'd)**

<b>S/No</b>	<b>Name of Operator</b>	<b>Managing Director</b>	<b>Address</b>	<b>Phone No.</b>	<b>E-mail and Web Addresses</b>
7	First Guarantee Pensions Limited	Chima Akalezi (Ag.MD/CEO) Interim Management Committee	Irorun Plaza 65, Kudirat Abiola Way Oregun, Ikeja , Lagos.	08033279973	<a href="mailto:cakalezi@firstguaranteepension.com">cakalezi@firstguaranteepension.com</a> <a href="http://www.firstguaranteepension.com">www.firstguaranteepension.com</a>
8	Future Unity Glanvills Pensions Limited	Usman Suleiman	26 Commercial Avenue Yaba, Lagos	08033435906,	<a href="mailto:usuleiman@fugpensions.com">usuleiman@fugpensions.com</a> <a href="http://www.fugpensions.com">www.fugpensions.com</a>
9	IEI-Anchor Pension Managers Limited	Glory Etaduovie	No. 22 Otukpo Street Off Gimbiya Street Area 11, Garki, Abuja	08034541500	<a href="mailto:glory.etaduovie@ieianchorpensions.com">glory.etaduovie@ieianchorpensions.com</a> <a href="http://www.ieianchorpensions.com">www.ieianchorpensions.com</a>
10	IGI Pension Fund Managers Limited	Stannis Uchenna Ezeobi	8, Adeola Odeku Street, Victoria Island, Lagos	08084995466	<a href="mailto:sezeobi@igipfm.com">sezeobi@igipfm.com</a> <a href="http://www.igipfm.com">www.igipfm.com</a>
11	Investment One Pensions Limited	Azubuike Okonkwo	Plot 871 Tafawa Balewa Way Opposite NICON Luxury Hotel Area 11, Garki Abuja	08023204661	<a href="mailto:azubuike.okonkwo@gtbampensions.com">azubuike.okonkwo@gtbampensions.com</a> <a href="http://www.gtbampension.com">www.gtbampension.com</a>
12	Leadway Pensure PFA Limited	Aderonke Adedeji	121/123 Funsho Williams Street, Surulere Lagos	08066438653	<a href="mailto:r-adedeji@leadway-pensure.com">r-adedeji@leadway-pensure.com</a> <a href="http://www.leadway-pensure.com">www.leadway-pensure.com</a>
13	Legacy Pension Managers Limited (PFA)	Misbahu Umar Yola	No. 39, Adetokunbo Ademola Crescent, Wuse II, Abuja	08022235807	<a href="mailto:misbahuyola@legacypension.com">misbahuyola@legacypension.com</a> <a href="http://www.legacypension.com">www.legacypension.com</a>
14	NLPC Pension Fund Administrators Limited	Wale O. Kolawole	No. 312A, Ikorodu Road, Anthony, Lagos	08034027008	<a href="mailto:wale.kolawale@nlpCPFA.com">wale.kolawale@nlpCPFA.com</a> <a href="http://www.nlpCPFA.com">www.nlpCPFA.com</a>

**Table 6.1: Pension Fund Administrators (Cont'd)**

<b>S/No</b>	<b>Name of Operator</b>	<b>Managing Director</b>	<b>Address</b>	<b>Phone No.</b>	<b>E-mail and Web Addresses</b>
15	NPF Pensions Limited	Dr. Hamza Sule Wuro Bokki	Behing Force Headquarters Louis Edet House Shehu Shagari Way Area 11, Garki, Abuja	08033139435	<a href="mailto:hamza.s.w.bokki@npfpensions.com">hamza.s.w.bokki@npfpensions.com</a> <a href="http://www.npfpensions.com">www.npfpensions.com</a>
16	Oak Pensions Limited	Samuel Inyang	266 Muritala Mohammed Way Yaba, Lagos	08033094625	<a href="mailto:sami@oakpensions.com">sami@oakpensions.com</a> <a href="http://www.oakpensions.com">www.oakpensions.com</a>
17	Pensions Alliance Limited	Emenike D. Uduanu	9th Floor UBA Building 57 Marina, Lagos	08034039191	<a href="mailto:duduanu@palpensions.com">duduanu@palpensions.com</a> <a href="http://www.palpension.com">www.palpension.com</a>
18	Premium Pension Limited	Wilson Ndidi Ideva	No. 4, Agwu Close Off Faskari Crescent Area 3, Garki Abuja	08073399874	<a href="mailto:wideva@premiumpension.com">wideva@premiumpension.com</a> <a href="http://www.premiumpension.com">www.premiumpension.com</a>
19	Sigma Pensions Limited	Umaru H. Modibbo	No. 29 Durban Street, Off Adetokunbo Ademola Crescent, Wuse II, Abuja	08033164996	<a href="mailto:modibbouh@sigmapensions.com">modibbouh@sigmapensions.com</a> <a href="http://www.sigmapensions.com">www.sigmapensions.com</a>
20	Stanbic IBTC Pension Managers Limited	Dr. Ademola Sogunle	Plot 1678, Olukunle Bakare Close, Off Sanusi Fafuwa Street, Victoria Island, Lagos	08034020097	<a href="mailto:demola.sogunle@stanbicibtc.com">demola.sogunle@stanbicibtc.com</a> <a href="http://www.stanbicibtcpension.com">www.stanbicibtcpension.com</a>
21	Trustfund Pensions Plc	Helen Da-Souza	Plot 820/821, Labour House, Central Business District, Abuja	08052090315	<a href="mailto:helen@trustfundpensions.com">helen@trustfundpensions.com</a> <a href="http://www.trustfundpensions.com">www.trustfundpensions.com</a>

**Table 6. 2 Closed Pension Fund Administrators**

<b>S/No</b>	<b>Name of Operator</b>	<b>Managing Director</b>	<b>Address</b>	<b>Phone No.</b>	<b>E-mail and Web Addresses</b>
1.	Chevron Nigeria Pension Plan Limited	Obafunke Alade-Adeyefa	Zasarii Building (behind Union Bank) 13, Cornelius Odinor Street Off Hameed Kasumu Street Chevy Estate (Off Chevron Drive) Lekki, Lagos	08035250363	<a href="mailto:aladeos@chevron.com">aladeos@chevron.com</a> <a href="http://www.chevron.com/nigeria">www.chevron.com/nigeria</a>
2.	Nestle Nigeria Trust (CPFA) Limited	Adewale Fakoya	22/24 Industrial Avenue, Ilupeju, Lagos	08034020175	<a href="mailto:adewale.fakoya@ng.nestle.com">adewale.fakoya@ng.nestle.com</a> <a href="http://www.ng.nestle.com">www.ng.nestle.com</a>
3.	Nigerian Agip CPFA Limited	Ighojovbe Oghenekaro	No 1 Elsie Femi Pearse Street Off Adelo Odeku Street Victoria Island, Lagos	07034161327	<a href="mailto:Ighojovbe.oghenekaro@naoc.agip.it">Ighojovbe.oghenekaro@naoc.agip.it</a> <a href="http://www.naoc.agip.it">www.naoc.agip.it</a>
4.	Progress Trust CPFA Limited	H.T. Lawani	No 1, Abebe Village Road, Iganmu, Lagos	08053184274	<a href="mailto:titi.lawani@heineken.nl">titi.lawani@heineken.nl</a> <a href="http://www.progresstrustCPFA.com">www.progresstrustCPFA.com</a>
5.	Shell Nig. Closed Pension Fund Administrator Ltd	Akeeb Akinola	1st Floor C-Wing, Bank of Industry Building, 23 Marina, Lagos	08070365632	<a href="mailto:a.akinola@shell.com">a.akinola@shell.com</a> <a href="http://www.shellnigeria.com">www.shellnigeria.com</a>
6.	Total (E & P) Nig. CPFA Ltd	Tai Oshisanya	30 Kofo Abayomi Street Victoria Island, Lagos	08037543096	<a href="mailto:tai.oshisanya@totalCPFA-ng.com">tai.oshisanya@totalCPFA-ng.com</a> <a href="http://www.total.com">www.total.com</a>
7.	UNICO CPFA Limited	Muhibat Abbas	Niger House, 1-5 Odunlami Street, Lagos	08033340592	<a href="mailto:mabbas@uacnplc.com">mabbas@uacnplc.com</a> <a href="http://www.unicoCPFA.com">www.unicoCPFA.com</a>



**Table 6. 3 Pension Fund Custodians**

<b>S/No</b>	<b>Name of Operator</b>	<b>Managing Director</b>	<b>Address</b>	<b>Phone No.</b>	<b>E-mail and Web Addresses</b>
1.	Diamond Pension Fund Custodian Limited	Chinedu Osundu Ekeocha	1A Taimiyu Savage Street, Victoria Island, Lagos	07034111256	<a href="mailto:cekeocha@diamondpfc.com">cekeocha@diamondpfc.com</a> www.diamondpfc.com
2.	First Pension Custodian Nigeria Limited	Kunle Lawal Jinadu	124 Awolowo Road, Ikoyi, Lagos	08034022126	<a href="mailto:kunle.jinadu@firstpensioncustodian.com">kunle.jinadu@firstpensioncustodian.com</a> www.firstpensioncustodian.com
3.	UBA Pensions Custodian Limited	Bayo Yusuf	Plot 22b, Idowu Taylor Street, Victoria Island, Lagos	08033123174	<a href="mailto:bayo.yusuf@ubagroup.com">bayo.yusuf@ubagroup.com</a> www.ubagroup.com
4.	Zenith Pensions Custodian Limited	Nkem Oni-Egboma	No 22 Akin Adesola Street Victoria Island Lagos	08023164118	<a href="mailto:nkem.oni-egboma@zenithcustodian.com">nkem.oni-egboma@zenithcustodian.com</a> www.zenithcustodian.com

## 6.2 Profile of Pension Fund Operators

**Table 6. 4: Profile of Pension Fund Administrators**

<b>S/N</b>	<b>PFA Name</b>	<b>Board of Directors</b>		<b>Paid-up Share Capital (N' million)</b>	<b>Number of Branches and Service Centre</b>	<b>External Auditors</b>
1.	Aiico 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 Alt 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)**

<b>S/N</b>	<b>PFA Name</b>	<b>Board of Directors</b>		<b>Paid-up Share Capital (N' million)</b>	<b>Number of Branches and Service Centre</b>	<b>External Auditors</b>
4.	AXA Mansard Pensions Limited	Umaru Kwairanga Oladapo O. Akinsanya Dr. Haruna Sanusi Tosin Runsewe Sola Adeeyo Frederic Flejou Oladimeji Tunde-Anjous	Chairman Managing Director/CEO Director Director Director Director Director	1,723,060,000	11	PKF Professional Services (Panell Kerr Forster)
5.	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 Segun Oluyori	Chairman Managing Director/CEO Director Director Director Director Director Director Director Independent Director Alternate Director to Tofarati Augusto Alternate Director to Razak A. Adeola	1,341,205,948	41	Pannel Kerr Forster
6.	First Guarantee Pension Limited	Comrade Issa Aremu Chima Akalezi Johnny Ojeaga	Chairman (Interim Mgt. Committee) Ag. Managing Director Member (Interim Mgt. Committee)	583,847,417	31	Grant Thornton (Chartered Accountants)

**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
7.	Future Unity Glanvills Pensions Limited	Vacant Adeyinka O. Sogunle Usman B. Suleiman Anthony Ojeshina Chief A.O.Omisore Gambo Shuaibu Michael Dogo Garba Hungu Agbajegorite O. Edema Odunayo Francis Akinola Osijola Adefunke Adenike Shehu Ibrahim	Chairman Vice Chairman Managing Director/CEO Director Director Director Director Independent Director Alternate Director to Chief A.O Omisore Alternate Director Alternate Director Alternate Director	1,500,000,000	28	Muhtari Dangana & Co & Ahmed Zakari & Co
8.	Fidelity Pension Managers Limited	Chief Christopher Eze Amaka Andy Azike Mike Osime Chris Okenwa Professor Ike S. Ndolo	Chairman Managing Director/CEO Director Director Independent Director	1,576,583,829	26	Company and RSA: Akintola Williams Deloitte & Touche Retiree: D.C.C Alaibe & Co
9.	IEI-Anchor Pension Managers Limited	Prof (Sen) Jonathan Silas Zwingina Glory Etaduovie Rufai S. Hanga Martins Wayer Sen. Usman K. Umar Adewole Adeosun	Chairman  Managing Director/CEO Director Director Director Independent Director	2,222,000,000	20	Pannel Kerr Forster

**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
10.	IGI Pension Fund Managers Limited	Apostle (Dr.) Hayford Alile, OFR Chairman Stanislaus Uchenna Ezeobi Managing Director/CEO Doyin Adebambo Executive Director Remi Olowude, OON Director Gen. (Dr.) Yakubu Gowon(Rtd), GCFR Director Rotimi Fashola Director Chief Eugene Okwor Independent Director Yinka Obalade Director	1,000,000,000	5	Akinola Akintunde & Co
11.	Investment One Pension Managers Limited	Alex Okoh Chairman Azubuike Okonkwo MD/CEO Mr. Nicholas Nyamali Director Mr. Bayo Omojola Director Mrs. Taiwo A. Mudasiru Director Abimbola Afolabi -Ajaji Director Mrs. Adegoke Chukwuma Director Mrs. Gbemi Victoria Adelekan Director	1,301,447,368	1	KL & Co. (Nigeria) Chartered Accountants
12.	Leadway Pensure PFA Limited	Mr Oye Hassan-Odukale Chairman Mrs. Aderonke Adedeji Managing Director/CEO Olusakin Adebowale Executive Director Labeodan Executive Director Olanrewaju Taofeek Idris Executive Director Dr. Balla Swamy Director Kofo Majekodunmi Director Tunde Hassan-Odukale Director Ike Osakwe Director Ibrahim Waziri Director	1,695,340,087	35	Akintola Williams Deloitte & Touche

**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>
13.	Legacy Pension Managers Limited PFA	Lamis Dikko Misbahu Umar Yola Umar Sanda Mairami Christopher Babatunde Bajowa Ahmed Lawan Kuru Segun Fowora 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 Independent Director	800,000,000	29	KPMG Professional Services
14	NLPC Pension Fund Administrators Ltd.	J. O. Emmanuel A. O. Kolawole Mrs. C. O. Oyeleye Samuel Adewole Balogun E. O. Eleramo A. A. Adeyeye Chief F. R. A. Marinho Senator O. O. Omilani Ahmed Musa Muhammad Remilekun Odunlami	Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Director Director Independent Director	1,460,216,440	5	Ajibade Durojaiye & Co (Chartered Accountants)
15.	Oak Pensions Limited	Dr. Awa Ibraheem Samuel Inyang Muhammed Baba Ganiyu Musa Anirejuoritse Ojuyah Adeyemi Abdullateef	Chairman Managing Director/CEO Director Director Director Independent Director	1,050,000,000		Ernst & Young

**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>Number of Branches and Service Centre</i>	<i>External Auditors</i>
16.	Pensions Alliance Limited	Rilwan Bello Osagie Emenike.D. Udanu Aliyu Abdullahi Mohammed Godwin Onoro Daniel Agbor Mrs Hamda Ambah Junaid Dikko Alphonse O. Okpor Mrs. 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
17.	Premium Pension Limited	Aliyu A. Dikko Wilson Ideva Adamu Musa Mele Kayoed Akande Ahmed Almustapha Mohammed Inuwa Yahaya Ibrahim Alhassan Babayo Idris Saeed Engr. Victor Chukwudi Anohu Mr. Nelson Chidozie Nweke Paul Usoro (SAN)	Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Director Director Director Independent Director	657,126,772	40	PriceWaterhouseCoopers (PWC)
18.	Sigma Pensions Ltd	Rasaki Oladejo Umaru H. Modibbo Mohammed A. Jalingo Dunami Stanley Balami	Chairman Managing Director/CEO Director Director	984,539,474	31	Muhtari Dangana & Co. (Chartered Accountants)

**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.	Stanbic IBTC Pension Managers Limited	Mrs. Olusola A. David-Borha Eric Fajemisin Steve Elusope Oladele Sotubo Mr. Godwin U. S. Wiggle Mr. Dominic Bruyneels Oladipo Ajose-Adeogun Mr. Abubakar Balarabe Mahmoud Mrs. Yemisi Ayeni	Chairman Managing Director/CEO Executive Director Executive Director Director Director Independent Director Non Executive Director Non Executive Director	1,000,000,000	194	Company : KPMG Professional Services RSA & Retiree: Akintola Williams Deloitte & Touche
20.	Trustfund Pensions Plc	Vacant Helen Da-Souza Musa Nasr Peter Esele Akinwumi Oladeji Mobolaji Oludamilola Balogun Ayyuba Wabba Dauda Kolapo Adedeji Osarenti Demuren Amaka Onwughalu June Chiemeka	Chairman Managing Director/CEO Executive Director Director Director Director Director Director Director Director Alternate Director to Mobolaji Oludamilola Balogun	1,000,000,000	17	Akintola Williams Deloitte & Touche



**Table 6. 5: Profile of Closed Pension Fund Administrator**

<i>S/N</i>	<i>CPFA Name</i>	<i>Name of Director</i>	<i>Appointment</i>	<i>Paid-up Share Capital (₦' million)</i>	
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 Jerry L. Morgan	Chairman Managing Director/CEO Director Director Director Director Director Director Director Independent Director	150,000,000	PriceWaterhouseCoopers (PWC)
2.	Nestle Nigeria Trust (CPFA) Limited	Dharnesh Gordon Adewale Abiodun Fakoya Syed Saiful Islam Mr. Adesoye Akinsoyose 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 Antonino Cacopardi Callista Azogu Bode Augusto	Chairman Managing Director/CEO Director Director Director Independent 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 (₦' 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	<b>200,000</b>	PriceWaterhouseCoopers (PWC)
6.	Total (E & P) Nigeria CPFA Limited	Paul Odekina Mrs. Tal Oshinaya Mrs.Chantal Bellaird Olalere Babasola Mrs. Edith Ofili-Okonkwo Leo Klink John Emenike Aki Onuoha Benjamin Okorie-Agidi Emmanuel Ekut	Chairman Managing Director/CEO Director Director Director Director Director Director Director Director	<b>5,000,000</b>	KPMG Professional Services.
7.	Unico CPFA Limited	Joseph Ibrahim Dada Mrs. Muhibat O. Idowu Abbas Abdul Akhor Bello Adeniyi Taiwo Ayodele Abimbola Olashore Olayiwola A. Adetomiwa Olawole M. Anyinla	Chairman Managing Director/CEO Director Director Director Director Independent Director	<b>150,000,000</b>	Akintola Williams Deloitte & Touche

**Table 6.6: Profile of Pension Fund Custodians**

<i>S/N</i>	<i>PFC Name</i>	<i>Name of Director</i>	<i>Appointment</i>	<i>Paid-up Share Capital (₦' million)</i>	<i>External Auditors</i>
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 Johnson Agoreyo Mr. Apollos Ikpobe Femi Olaloku Mr. Abbas Jega	Chairman Managing Director/CEO Director Director Director Director Director Director Independent 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

## APPENDIX 1: TWO YEAR FINANCIAL SUMMARY OF THE PFA COMPANY ACCOUNTS FOR THE PERIOD 2015 – 2016

<b>AllCO Pension Fund Managers Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>Assets</b>		
Cash & cash equivalents	570,782	1,002,613
Financial assets		
- Held to maturity	475,101	-
- Available for sale	-	-
Trade and other receivables	144,568	131,632
Other assets	14,296	22,923
Property, plant and equipment	252,758	142,453
Intangible assets	3,226	9,248
Deferred tax assets	33,143	68,677
<b>Total Assets</b>	<b>1,493,874</b>	<b>1,377,546</b>
<b>Liabilities</b>		
Trade and Other payables	55,761	51,126
Interest-bearing loans and borrowings	-	4,438
Income tax payable	44,360	46,803
<b>Total Liabilities</b>	<b>100,121</b>	<b>102,368</b>
<b>Net assets</b>	<b>1,393,753</b>	<b>1,275,178</b>
<b>Equity</b>		
Share capital	1,078,777	1,078,777
Irredeemable preference shares	-	-
Share premium	40,365	40,365
Statutory reserve	76,801	55,237
Fair value reserve		
Convertible loan reserve		
Retained earnings	197,810	100,799
<b>Total Equity</b>	<b>1,393,753</b>	<b>1,275,178</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
Income	1,127,683	1,008,756
Expenses	878,903	699,358
Profit/(Loss) Before Taxation	248,780	309,398
Profit/(Loss) After Taxation	172,514	211,782

<b>Apt Pension Funds Managers Limited</b>		
	<b>2016</b>	<b>2015</b>
	<b>(N'000)</b>	<b>(N'000)</b>
<b>ASSETS</b>		
Cash and cash equivalents	1,393,309,523	490, 979,461
Financial assets:		
- At fair value through profit or loss	31,800	109,800
- Held to Maturity		610,000,000
- Loans and receivables	83,999,355	821,796,854
- Trade receivables		24,285,543
- Statutory reserve investment	53,858,846	24,285,543
Prepayments	26,574,305	1,357,808,834
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	64,528,340	54,374,959
Intangible assets	<b>9,495,650</b>	10,186,183
		64,561,142
<b>Total assets</b>	<b>1,631,797,819</b>	<b>1,422,369,976</b>
<b>Shareholders' Equity</b>		
Share capital	<b>1,643,350,590</b>	1,643,350,590
Share premium	<b>46,145,804</b>	46,145,804
Statutory reserve	<b>76,060,571</b>	50,375,531
General reserve	<b>(179,263,965)</b>	(359,059,245)
<b>Total Shareholder's equity</b>	<b>1,586,293,001</b>	1,380,812,680
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>45,504,819</b>	<b>41,557,296</b>
Accounts payable		21,451,118
Amounts owed to related parties		-
Taxation	<b>(8,876,627)</b>	(26,908,882)
<b>Non current liabilities</b>		
Deferred tax liability		3,931,089
<b>Total Liabilities</b>		41,557,296
Total shareholders' equity & liabilities	<b>1,631,797,819</b>	1,422,369,976
<b>Funds under management</b>	<b>34,911,706,547</b>	28,001,906,588

<b>ARM Pension Managers Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>ASSETS</b>		
Property and equipment	419,507	252,109
Intangible assets	985,706	969,173
Deferred tax asset		
Non current assets	2,147,819	1,340,309
Trade and other receivables	1,100,894	973,096
Prepayments	450,436	308,441
Investment securities	2,212,922	1,400,932
Cash and cash equivalents	537,247	1,462,185
<b>Current assets</b>	<b>4,301,499</b>	<b>4,144,654</b>
<b>Total assets</b>	<b>6,449,318</b>	<b>5,484,963</b>
Retirement benefit obligation		
Deferred tax liabilities	2,945	38,334
Non-current liabilities	2,945	38,334
Other creditors and accrued expenses	802,899	841,492
Tax payable	924,781	964,115
<b>Current liabilities</b>	<b>1,727,680</b>	<b>1,535,607</b>
<b>Total liabilities</b>	<b>1,730,625</b>	<b>1,573,641</b>
<b>Equity</b>		
Share capital	1,190,476	1,190,476
Share premium	18,162	18,162
Statutory reserve	1,260,331	943,598
Retained earnings	2,249,724	1,758,786
<b>Total equity</b>	<b>4,718,693</b>	<b>3,911,022</b>
<b>Total equity and liabilities</b>	<b>6,449,318</b>	<b>5,484,963</b>
<b>Statement of profit or loss and other comprehensive income</b>		
<b>Gross revenue</b>	6,546,174	5,909,498
Profit on ordinary activities before taxation	3,612,600	2,746,932
Taxation	(1,078,739)	(842,372)
Profit on ordinary activities after taxation	2,533,861	1,904,560
Basic and diluted earnings per share (kobo)	213	160

<b>AXA MANSARD Pensions Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>ASSETS</b>		
Cash and bank balance	34,690	210,255
Investment securities		
- Available for sale	1,115,861	1,001,270
- Held to maturity	-	-
Other receivables	195,736	185,336
Intangible assets	6,187	8,344
Property and equipment	114,320	146,074
<b>TOTAL ASSET</b>	<b>1,466,794</b>	<b>1,551,279</b>
<b>LIABILITIES</b>		
Other liabilities	199,409	236,532
Current income tax liabilities	16,874	25,808
Deferred tax liability	15,578	20,430
<b>TOTAL LIABILITIES</b>	<b>231,861</b>	<b>282,770</b>
<b>EQUITY</b>		
Share capital	1,723,060	1,723,060
Retained earnings	(494,818)	(523,081)
Statutory reserves	18,667	14,629
Fair value reserves	(11,976)	53,901
<b>TOTAL EQUITY</b>	<b>1,234,933</b>	<b>1,268,509</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,466,794</b>	<b>1,551,279</b>

<b>Crusader Sterling Pension Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>Assets</b>		
Cash and cash equivalents	267,376	323,325
Investment- Held to maturity	2,831,695	2,435,867
Other assets	249,255	228,878
Intangible assets		22,202
Property, plant and equipment		446,799
<b>Total assets</b>	<b>3,857,131</b>	<b>3,457,071</b>
<b>Liabilities</b>		
Other payables	386,256	237,716
Deposit for shares	-	-
Current tax payable		287,441
Deferred tax liability		40,842
<b>Total liabilities</b>		<b>565,999</b>
<b>Equity</b>		
Ordinary share capital	1,341,206	1,341,206
Share premium	13,540	13,540
Statutory contingency reserve	472,354	357,670
Revenue reserve	1,364,499	1,178,656
<b>Total equity</b>	<b>3,191,599</b>	<b>2,891,072</b>
<b>Total liabilities and equity</b>	<b>3,857,131</b>	<b>3,457,071</b>



<b>Fidelity Pensions Managers Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>ASSETS</b>		
Cash & cash equivalents	627,076	1,762,429
Receivables	73,990	67,686
<b>Investment securities</b>		
- Available for sale	1,027,927	-
- Held to maturity	651,697	589,294
Prepayments & other assets	43,572	21,424
Deferred tax asset	-	-
Intangible assets	46,035	42,073
Property, plant & equipment	59,620	47,547
<b>TOTAL ASSETS</b>	<b>2,529,917</b>	<b>2,530,453</b>
<b>LIABILITIES</b>		
Accounts payable	36,486	283,925
Other creditors and accruals	259,629	248,644
Deferred tax liabilities	19,445	15,318
Current tax liabilities	58,726	108,401
Total liabilities	<b>374,286</b>	<b>656,288</b>
<b>Shareholder's equity</b>		
Paid up share capital	1,576,584	1,576,584
Share premium account	96,563	94,483
Available for sale reserve	(6,046)	-
Statutory reserve	136,628	103,549
Revenue earnings/(deficit)	331,102	99,549
Total shareholder's equity	<b>2,155,631</b>	<b>1,874,165</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>2,529,917</b>	<b>2,530,453</b>
Gross revenue	861,352	771,698
Profit/(Loss) before taxation	327,416	334,353
Taxation	-	-
Total Comprehensive Income	264,632	221,284
Transferred to Statutory Reserve	33,079	27,672
<b>Per Share Data (Kobo)</b>		
Earnings/(loss) per share- Basic & diluted	17	14
Net asset per share	134	119

<b>First Guarantee Pension Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>NON CURRENT ASSETS</b>		
Property, Plant & Equipment	280,707	289,893
Intangible Assets	6,960	13,069
<b>Total Non-Current Assets</b>		
<b>Current Assets</b>		
Receivables and Prepayment	17,005	2,562
Cash & cash Equivalents	147,246	502,142
Inventory		
<b>Total Assets</b>		
<b>Current Liabilities</b>		
Payables and Other Liabilities	25,538	12,069
Income Tax Liabilities		
Deferred Taxation	46,472	85,438
<b>Total Liabilities</b>		
<b>Non Current Liabilities</b>		
Equity deposit		
Capital & Reserves		
Share Capital	1,500,000	1,500,000
Statutory Reserve	47,271	25,892
Retained Earnings	(184,217)	(330,576)
<b>Total Equity</b>		
<b>Total Liabilities &amp; Equity</b>	<b>1,487,943</b>	<b>1,295,424</b>

**First Pension Custodian Nigeria Limited**

	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>Assets</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	1,249,728	1,130,266
Intangible asset	5,883	53,727
Deferred tax asset	103,092	111,323
	<b>1,358,703</b>	<b>1,295,316</b>
<b>Current Assets</b>		
Loans & other receivables	564,321	589,899
Other assets	128,168	160,795
Investment securities	8,756,662	1,554,339
Cash & cash equivalents	87,052	5,958,086
	<b>9,536,203</b>	<b>8,263,120</b>
<b>Total asset</b>	<b>10,894,906</b>	<b>9,558,436</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Share capital	2,000,000	2,000,000
Other reserves	-	-
Retained earnings	6,358,893	4,525,867
<b>Total equity</b>	<b>8,358,893</b>	<b>6,525,867</b>
<b>Non- current liabilities</b>		
Deferred tax liabilities	-	-
Retirement benefit obligations	-	38,543
	-	38,543
<b>Current liabilities</b>		
Creditors & accruals	746,933	1,534,510
Income tax liabilities	1,789,080	1,459,516
	2,536,013	2,994,026
<b>Total liabilities</b>	<b>2,536,013</b>	<b>3,032,569</b>
<b>Total equity and liabilities</b>	<b>10,894,906</b>	<b>9,558,436</b>
<b>Pension assets under custody</b>	<b>2,035,542,499</b>	<b>1,814,340,864</b>
<b>Non-pension assets under custody</b>	<b>551,562,982</b>	<b>299,954,655</b>
<b>Income Statement</b>		
Gross earnings	-	4,947,521
Profit before income tax	-	3,408,770
Income tax expense	-	(991,981)
<b>Profit for the year</b>	<b>-</b>	<b>2,416,789</b>
<b>Per share data</b>		
Earnings per share – basic (kobo)	-	121
Net (liabilities)/asset per share	-	3

<b>Future Unity Glanvills Pensions Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>ASSETS</b>		
Cash & Bank Balances	147,246	502,142
Financial Assets	855,519	298,225
Trade and other receivables	134,034	104,096
Prepayment and other assets	17,005	2,562
Deferred tax assets	46,472	85,438
Intangible assets	6,960	13,069
Property, plant and equipment	280,707	289,893
		<b>1,295,424</b>
<b>CURRENT LIABILITIES</b>		
Trade and Bank balances	59,123	47,813
Tax Payable	25,538	12,069
Bank overdraft	-	
	<b>84,661</b>	<b>59,882</b>
<b>Non-current liabilities</b>		
<b>Total liabilities</b>	<b>84,661</b>	<b>59,882</b>
<b>CAPITAL AND RESERVES</b>		
Share Capital	1,500,000	1,500,000
Statutory Reserve	47,271	25,892
Revaluation reserve	40,227	40,228
Retained earnings	(184,217)	(330,576)
<b>SHAREHOLDER'S FUNDS</b>	<b>1,403,282</b>	<b>1,235,543</b>
Total liabilities and equity	1,487,943	1,295,424
<b>Revenue</b>	<b>744,929</b>	<b>612,604</b>
Profit/(loss) Before Taxation	233,533	105,541
Taxation	(62,503)	(39,698)
Appropriation to statutory reserve	(21,379)	(8,230)
Profit/(loss) After Taxation	<b>149,651</b>	<b>(57,613)</b>
	10	4

<b>IEI Anchor Pensions Manager Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>Assets</b>		
Cash and cash equivalents	91,746	178,655
Trade receivables	381,374	207,083
Other receivables	-	-
Property, plant & equipment	475,674	454,176
Intangible assets	4,271	42,141
Deferred tax assets	412,616	440,529
<b>Total Assets</b>	<b>1,365,681</b>	<b>1,322,583</b>
<b>Liabilities &amp; Equity</b>		
Tax payables	-	-
Borrowings	-	-
Other payable	53,327	49,684
Current tax payable	17,839	79,654
Deferred tax liabilities	36,916	41,175
Share Deposit	-	-
<b>Total liabilities</b>	<b>108,083</b>	<b>170,513</b>
<b>Equity</b>		
Share capital	2,222,000	2,222,000
Share Premium	65,170	65,170
Retained earnings	(1,049,233)	(1,143,466)
Statutory reserve	19,660	8,366
<b>Total Equity</b>	<b>1,257,598</b>	<b>1,152,070</b>
<b>Total liabilities and equity</b>	<b>1,365,681</b>	<b>1,322,583</b>

<b>IGI Pensions Fund Managers Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>ASSETS</b>		
Cash & cash equivalent	1,071,615	1,718
Financial Assets (held Maturity)	-	1,002,148
Due from related parties	46,202	148,184
Other receivables and prepayment	36,949	1,168
Property, plant and equipment	1,246	1,629
<b>Total Assets</b>	<b>200</b>	<b>18,938</b>
<b>LIABILITIES</b>		
Accounts payable	161,353	69,647
Due to related parties	-	-
Income tax payable	5,118	-
Deferred tax liabilities	-	2,099
Deposit for shares	-	-
<b>Total Liabilities</b>	<b>-</b>	
<b>Equity</b>		
Share Capital	1,000,000	1,000,000
Share premium	375,000	375,000
Statutory Reserve	16,926	16,926
Retained earnings	(402,186)	(289,886)
<b>Total Equity &amp; Liabilities</b>	<b>1,156,211</b>	<b>1,173,785</b>

<b>Investment One Pension Managers Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>ASSETS</b>		
Cash & cash equivalent	185,087	841,209
Financial Assets (held Maturity)	823,363	165,450
Due from related parties	20,386	8,514
Other receivables and prepayment	22,736	34,476
Property, plant and equipment	18,861	34,221
Intangible assets	6,566	6,165
<b>Total Assets</b>	<b>1,076,999</b>	<b>1,090,035</b>
<b>LIABILITIES</b>		
Other liabilities	11,454	19,020
Current income tax payable	6,702	10,715
Advances for increase in share capital		-
<b>Total Liabilities</b>	<b>18,156</b>	<b>29,735</b>
<b>Equity</b>		
Share Capital	1,500,000	1,500,000
Share premium	107,192	107,192
Accumulated loses	(548,349)	(546,892)
<b>Total Equity</b>	<b>1,058,843</b>	<b>1,060,300</b>
<b>Total liabilities and equity</b>	<b>1,076,999</b>	<b>1,090,035</b>

<b>Leadway Pensure PFA Limited</b>		
	<b>2016</b>	<b>2015</b>
	<b>(N'000)</b>	<b>(N'000)</b>
<b>ASSETS</b>		
Cash & bank balances	907,719	1,759,081
Financial Assets	2,444,842	714,133
Other assets	863,075	829,588
Intangible assets	50,192	74,562
Property plant and equipment	198,435	179,228
Investment property	660,651	742,000
Total assets	<b>5,124,915</b>	<b>4,298,592</b>
<b>LIABILITIES</b>		
Creditors and accrued expenses	476,942	391,437
Tax Payable	542,577	413,059
Deferred Taxation	21,176	42,148
Total liabilities	<b>1,040,695</b>	<b>846,646</b>
<b>Equity</b>		
Share Capital	1,642,361	1,642,361
Share premium	53,465	53,465
Statutory Reserve	574,462	444,392
Retained earnings	1,813,931	1,311,730
Fair value reserve		
<b>Total equity</b>	<b>4,084,220</b>	<b>3,451,948</b>
Total liabilities and equity	<b>5,124,915</b>	<b>4,298,592</b>



<b>Legacy Pension Managers PFA Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>BALANCE SHEET</b>		
<b>ASSETS</b>		
Property and equipment	1,906,858	1,624,945
Intangible assets	33,026	36,144
Differed tax assets	-	-
Trade and other receivables	567,368	564,761
Prepayments	54,248	41,019
Cash and cash equivalent	210,901	809,924
Total assets	<b>3,316,448</b>	<b>3,142,006</b>
<b>LIABILITIES</b>		
Taxation payable	361,615	359,786
Trade and other payables	164,994	193,258
Provisions	-	-
Other liabilities	-	-
Employee benefits	53,350	35,200
Deferred tax liability	76,091	46,329
Deposit for shares	-	-
Total liabilities	<b>656,050</b>	<b>634,573</b>
<b>Net assets</b>	<b>2,660,398</b>	<b>2,507,433</b>
<b>CAPITAL AND RESERVES</b>		
Share Capital	800,000	80,000
Share Premium	404,142	404,142
Transfer to Statutory Reserves	395,327	314,884
Retained earnings (accumulated losses)	1,071,510	988,407
<b>SHAREHOLDER'S FUNDS</b>	<b>2,660,398</b>	<b>2,507,433</b>
Pension funds under management	193,616,789	166,134,038
<b>Gross Revenue</b>	<b>2,295,893</b>	<b>2,193,575</b>
Profit/(loss) on ordinary activities before taxation	931,828	929,089
Taxation	(288,282)	(305,716)
Profit/(loss) on ordinary activities after taxation	643,546	623,373
Earnings/(Loss) Per Share		

<b>NLPC Pension Fund Administrators Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>BALANCE SHEET</b>		
<b>ASSETS</b>		
<b>Non- current Assets</b>		
Property, plant and equipment	377,813	244,277,143
Financial assets	1,679,500	1,708,007,495
Intangible assets	71,422	32,210
Total Non-Current Assets		1,984,494,557
<b>Current Assets</b>		
Trade and other receivables	-	432,879,663
Cash and Cash Equivalents	-	216,997,928
Total Current Assets	-	649,877,591
Total Assets		<b>2,634,372,148</b>
<b>Equity and Liabilities</b>		
Issued Capital and Reserves		
Share Capital	1,493,486	1,493,486
Share Premium	21,224	21,224,311
Statutory reserve	268,675	222,997
General reserve	322,241	428,137,702
	<b>2,105,626</b>	<b>2,165,845,494</b>
<b>Non-Current Liabilities</b>		
Deferred Tax Liabilities	-	34,809,175
<b>Current Liabilities</b>		
	-	
Taxation		357,001,147
Trade and Other Payables		76,716,331
Total Current Liabilities		433,717,478
<b>Total Equities and Liabilities</b>		<b>2,634,372,148</b>

<b>NPF Pensions Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>ASSETS</b>		
Cash & bank balances	796,016,897	237,873,944
Trade and other receivables	696,858,954	503,799,838
Prepayments	118,687,844	283,104,060
	<b>1,611,563,695</b>	<b>1,024,777,842</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,810,758,396	864,218,310
Intangible assets	66,338,745	75,458,419
Deferred tax assets	-	30,991,824
		970,668,553
<b>Total assets</b>	<b>3,488,660,836</b>	<b>1,995,446,395</b>
<b>Liabilities and Shareholders' equity</b>		
<b>Non-current liabilities</b>		
Provision for staff define benefits	200,354,844	106,456,239
<b>Current liabilities</b>		
Education tax	266,407,971	5,894,181
Accounts payable	215,333,007	207,818,394
Amounts owed to related party		-
	496,725,559	213,712,575
<b>Total liabilities</b>	<b>697,080,403</b>	<b>320,168,814</b>
<b>Shareholders' Equity</b>		
Share Capital	1,693,459,721	1,683,459,721
General Reserve	391,542,551	(586,328,373)
Statutory Reserve	157,510,111	17,814,265
Grant	549,068,050	560,331,968
<b>Total equity</b>	<b>2,791,580,433</b>	<b>1,675,227,581</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,488,660,836</b>	<b>1,995,446,395</b>

# OAK Pensions Limited

	2016 (N'000)	2015 (N'000)
<b>BALANCE SHEET</b>		
<b>ASSETS</b>		
Cash & cash equivalents	776,153,177	654,829,119
Trade and other receivables	177,095,633	79,941,562
Financial instruments – Held for trading	98,280	83,400
Financial instruments – Held to maturity	116,290,875	9,479,639
Other assets	9,271,275	13,940,547
Property, plant and equipment	479,918,028	567,741,278
Intangible assets	8,522,350	54,770,519
Statutory cash reserve	3,830	19,802,149
<b>Total assets</b>	<b>1,604,797,508</b>	<b>1,400,588,213</b>
<b>Liabilities</b>		
Trade and other payables	85,992,690	132,232,742
Income tax payables	67,754,232	44,339,981
Deferred tax payables	20,551,966	-
<b>Total liabilities</b>	<b>174,298,888</b>	<b>176,527,723</b>
<b>Equity</b>		
Share Capital	1,050,000,000,000	1,050,000,000
Share Premium	116,388,000	567,972,000
Statutory reserve	64,984,282	36,123,810
Retained earnings	(202,022,986)	(430,080,320)
<b>Total Equity</b>	<b>1,430,680,620</b>	<b>1,224,015,490</b>
<b>Total liabilities and equity</b>	<b>1,604,979,508</b>	<b>1,400,588,213</b>

<b>Pension Alliance Limited</b>		
	<b>2016</b>	<b>2015</b>
	<b>(N'000)</b>	<b>(N'000)</b>
<b>BALANCE SHEET</b>		
<b>ASSETS</b>		
Cash and bank balances	1,339,952	1,571,839
Statutory reserve deposit	467,552	306,252
Investment in debt securities	277,194	-
Loans and advances	92,632	143,332
Other assets	939,916	958,575
Intangible assets	22,247	16,222
Property and equipment	298,066	232,527
<b>Total Assets</b>	<b>3,437,559</b>	<b>3,228,747</b>
<b>LIABILITIES</b>		
Current income tax liability	408,004	432,370
Deferred income tax liability	41,820	50,074
Other liabilities	250,675	227,633
<b>Total liabilities</b>	<b>700,499</b>	<b>710,077</b>
<b>EQUITY</b>		
Share Capital	1,100,000	1,100,000
Share premium	51,000	51,000
Statutory reserve	501,964	378,415
Retained earnings	1,084,096	989,255
<b>Total equity</b>	<b>2,737,060</b>	<b>2,518,670</b>
<b>Total equity and liabilities</b>	<b>3,437,559</b>	<b>3,228,747</b>

<b>Premium Pension Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>ASSETS</b>		
Cash and cash equivalents	1,500,673	797,293
Investment securities	2,016,750	3,218,647
Prepayments	292,556	220,096
Other assets	784,400	794,517
Property and equipment	1,545,433	1,607,500
Intangible assets	196,212	155,283
<b>Total assets</b>	<b>6,336,024</b>	<b>6,793,335</b>
<b>LIABILITIES</b>		
Account payables	374,082	392,782
Defined contributory liability	-	1,688
Current tax	1,059,948	1,738,698
Deferred tax liability	207,724	262,553
		-
<b>Total liabilities</b>	<b>1,434,030</b>	<b>2,395,720</b>
<b>Equity</b>		
Share capital	657,127	657,126
Share premium	97,162	97,161
Retained earnings	2,896,162	2,740,247
Statutory reserves	1,236,061	978,330
Fair value reserve	(197,075)	(72,705)
Treasury shares	(681)	(2,545)
Available for sale reserve	5,514	-
<b>Total equity attributable to equity holders of the company</b>	<b>4,694,270</b>	<b>4,397,614</b>
<b>Total liabilities and equity</b>	<b>6,336,024</b>	<b>6,793,335</b>

<b>Sigma Pensions Limited</b>		
	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>Assets</b>		
Cash and cash equivalent	1,413,748	1,808,966
Fees and other receivables	928,235	864,097
Prepayments	107,015	89,181
Statutory reserve investments	741,156	577,564
Property, plant and equipment	587,647	613,007
Intangible asset	175,082	124,871
<b>Total Assets</b>	<b>3,952,883</b>	<b>4,077,686</b>
<b>Liabilities &amp; Shareholders' Equity</b>		
<b>Liabilities</b>		
Payable	-	45,187
Taxation	-	610,068
Deferred tax liability	-	47,995
<b>Total liabilities</b>	<b>-</b>	<b>703,250</b>
<b>Shareholder's capital</b>		
Share capital	984,539	984,539
Share Premium	77,511	77,511
Statutory reserves	866,761	670,166
General reserve	-	1,642,220
<b>Total shareholders' equity</b>	<b>3,168,528</b>	<b>3,374,436</b>
<b>Total shareholders' liabilities and equity</b>	<b>3,952,883</b>	<b>4,077,686</b>
<b>Funds under management</b>	<b>279,868,094</b>	<b>251,721,933</b>

**Stanbic IBTC Pension Managers Limited**

	<b>2016 (N'000)</b>	<b>2015 (N'000)</b>
<b>Assets</b>		
Cash and cash equivalent	17,558,452	20,340,836
Investible securities	17,942,122	1,625,529
Trade and other receivables	3,053,176	2,272,802
Prepayments	1,206,980	788,096
Property & equipment	803,142	753,766
Deferred tax assets	67,205	55,278
<b>Total Assets</b>	<b>41,155,579</b>	<b>25,836,307</b>
<b>Liabilities &amp; Equity</b>		
<b>Liabilities</b>		
Trade and other receivables	3,135,927	2,540,357
Tax payable	6,323,762	5,271,587
Deferred tax liability	-	-
<b>Total liabilities</b>	<b>9,459,689</b>	<b>7,811,944</b>
<b>Equity</b>		
Share capital	1,000,000	1,000,000
Statutory reserves	30,695,890	17,024,363
General reserve		
<b>Total Equity</b>	<b>31,695,890</b>	<b>18,024,363</b>
<b>Total liabilities and equity</b>	<b>41,155,579</b>	<b>25,836,307</b>



**TRUSTFUND PENSIONS PLC**

	2016 (N'000)	2015 (N'000)
<b>Assets</b>		
Cash and short term deposits	596,161	240,745
Trade and other receivables	707,865	859,490
Financial assets held to maturity	136,233	-
Other assets	263,159	252,519
Investment properties	4,901,451	4,244,888
Property, plant & equipment	801,458	740,826
Intangible assets	49,556	39,196
<b>Total Assets</b>	<b>7,455,883</b>	<b>6,377,664</b>
<b>Liabilities &amp; Equity</b>		
Payables and other liabilities	839,061	699,738
Tax payable	505,087	451,342
Deferred tax liability	183,452	297,572
<b>Total liabilities</b>	<b>1,527,600</b>	<b>1,448,652</b>
<b>Equity</b>		
Share capital	1,000,000	1,000,000
Retained earnings	4,061,293	3,218,181
Statutory reserve	866,990	710,831
<b>Total Equity</b>	<b>5,928,283</b>	<b>4,929,012</b>
<b>Total liabilities and equity</b>	<b>7,455,883</b>	<b>6,377,664</b>