



NATIONAL PENSION COMMISSION (PenCom)

2017 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

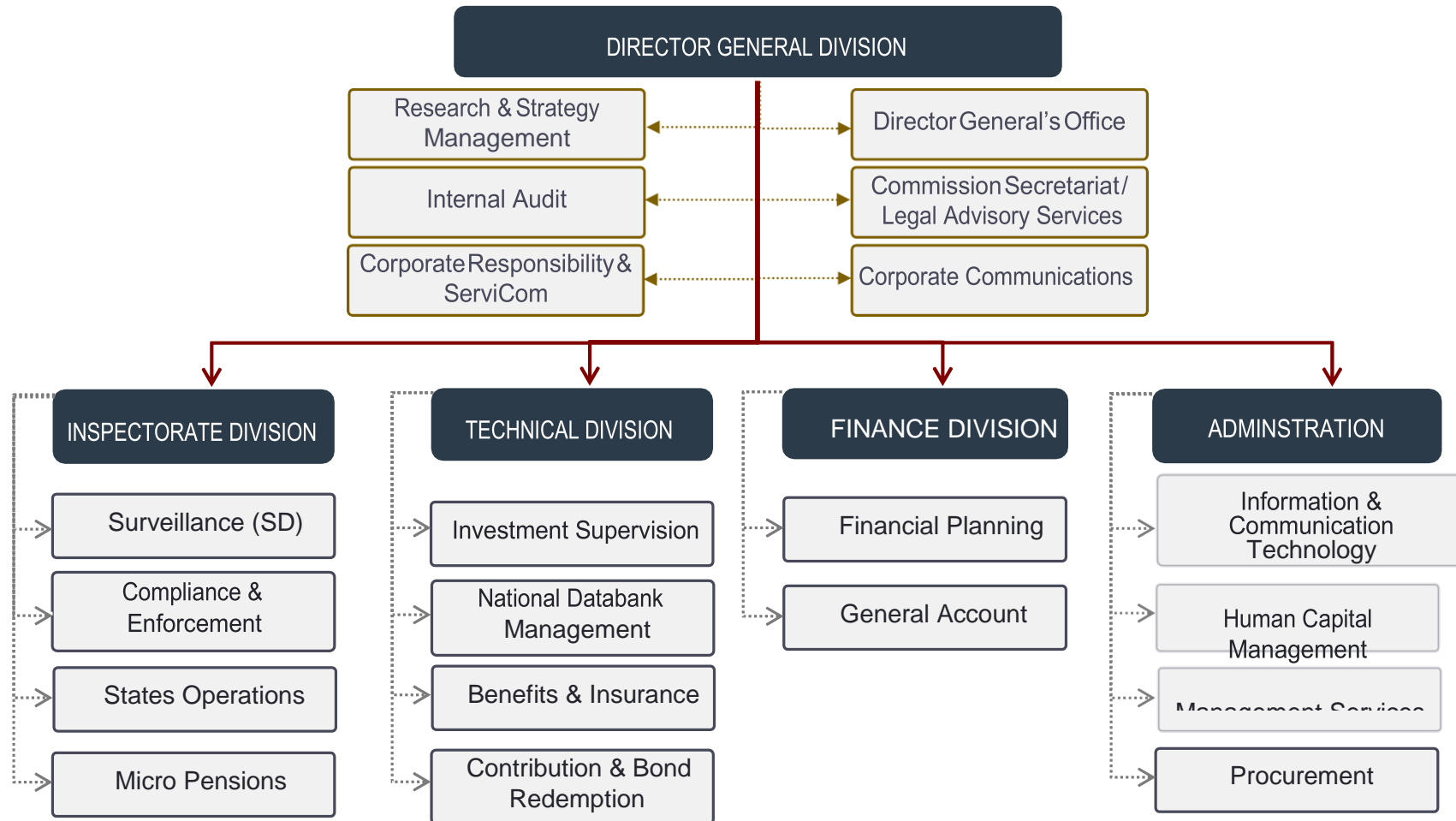


**Mrs. Aisha Dahir-Umar
Acting Director General**

MANAGEMENT CONSULTATIVE COMMITTEE MEMBERS

Mrs. Aisha Dahir- Umar	Acting Director General
Mr. Mohammed Bello Umar	Head (Compliance & Enforcement Department)
Mrs. Grace Usoro	Head (National Databank Management Department)
Mr. Mohammed Yola Datti	Head (Surveillance Department)
Mr. Moses O. Loyinmi	Head (Contributions & Bond Redemption Department)
Mrs. Ekanem B. Aikhomu	Head (Benefits & Insurance Department)
Dr. Dan Ndackson	Head (State Operations Department)
Dr. Umar F. Aminu	Head (Research & Strategy Management Department)
Mr. Ehimeme Ohioma	Head (Investment Supervision Department)
Mr. Aliyu A. Tijjani	Head (Corporate Responsibility & SERVICOM Department)
Mr. Tijjani A. Saleh	Head (Management Services Department)
Mr. Peter Nwabuike Ekwealor	Head (Internal Audit Department)
Mr. Polycarp Nzeadibe C. Anyanwu	Head (Information & Communication Technology Department)
Mr. Adamu S. Kollere	Head (Director General's Office Department)
Mr. Muhammad S. Muhammad	Commission Secretariat/Legal Advisory Services Department
Mr. Peter Agahowa	Head (Corporate Communications Department)
Mr. Bala Babangida	Head (Procurement Department)
Mr. Muminey Odebiyi	Head (Micro Pension Department)
Mr. Nicholas Z. Mbajwa	Head (Financial Planning Department)
Mr. Imeh Udofia	Head (General Accounts Department)
Mrs. Hadiza Wali-Oniyangi	Head (Human Resource Unit)

ORGANISATIONAL STRUCTURE



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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
NPFPL	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 and Professionalism
UPDC	UACN Property Development Company
WARR	Weighted Average Rate of Return

PART ONE

MANDATE AND CORE VALUES

1.1 Organizational Mandate

Section 17(1) of the Pension Reform Act (PRA) 2014 provides for the establishment of PenCom. The Commission is mandated by Section 18(c) of the PRA 2014 to “*regulate, supervise and ensure the effective administration of pension matters and retirement benefits in Nigeria*”.

1.2 Core Values

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

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

1.3 PenCom Charter

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

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

PART TWO

CORPORATE ACTIVITIES

2.1 Regulatory and Supervisory Activities

The Commission continued its regulatory and supervisory activities with emphasis on ensuring effective surveillance especially monitoring the management of pension assets. There were improvements in the drive towards enforcing compliance and the maintenance of databank on pension matters.

2.1.1 Issuance of Subsidiary Legislations

The following subsidiary legislations were issued during the year under review:

(i) Amended Regulation on Investment of Pension Fund Assets

The Amended Regulation on Investment of Pension Fund Assets was issued in April, 2017. The amendments to the Regulation seeks to align the contributors risk profile with their life cycle by providing a menu of investment portfolio choices.

The key features of the Amended Regulation include the following:

- a. Introduction of Multi-Fund Structure for RSA Funds based on age profiles of the contributors as follows:
 - Fund I: Contributors below 50 years (By Choice)
 - Fund II: Contributors below 50 years (Default Fund)
 - Fund II: For Pre-Retirees (50 years and above)
 - Fund IV: For Retirees only.
- b. Increase in the number of rating requirements for debt securities, from one rating to two ratings by a Credit Rating Agency recognised by the Securities and Exchange Commission (SEC).
- c. Introduction of New Allowable Securities:
 - Newly listed companies which evolved as a result of mergers, acquisitions or other combination arrangements; e.g Bank Holding Companies
 - Non-Interest Capital Market Products (NICMP), such as Sukuk and other Shariah-compliant financial instruments; and
 - Mortgage Bonds.
- d. Reduction in the minimum percentage of projects that must be domiciled in Nigeria for Infrastructure and Private Equity Funds to qualify for pension funds investment from 75 percent to 60 percent. This provision seeks to

encourage more Global Fund Managers with requisite capacity to offer such Funds for pension fund investments.

(ii) Circular on Withdrawals from Voluntary Contributions

The Circular was necessitated by the observed incidences of high rates of withdrawals from Additional Voluntary Contributions (AVCs) by contributors, which appeared to negate the main purpose of using the AVC to augment pensions at retirement. The main thrust of the Circular is that AVCs can only be withdrawn once in every two years, while subsequent withdrawals would be on incremental contributions from the last withdrawal. Furthermore, 50% of AVC shall be domiciled as contingent, available for withdrawal within the stipulated timeframe.

All the Regulations, Guidelines and Frameworks issued by PenCom are available at www.pencom.gov.ng.

2.1.2 Surveillance of the Pension Industry

In a bid to drive the achievement of a sound and sustainable pension industry, the Commission conducted on-site and off-site examinations of the pension operators.

(a) On-Site/Special Examinations of Licensed Operators

In compliance with Section 92(1) of the Pension Reform Act (PRA) 2014, routine examinations were conducted on all the 32 Licensed Operators, comprising of 21 Pension Fund Administrators (PFAs), 7 Closed Pension Fund Administrators (CPFAs) and 4 Pension Fund Custodians (PFCs).

(b) Update on Off-Site Activities

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

All the thirty-two (32) Licensed Pension Operators successfully rendered returns on the Funds under their management/custody as well as on the company assets and liabilities to the Commission via the Risk Management & Analysis System (RMAS) during the year under review.

(ii) Compliance Reports

The Commission received Compliance Reports from all Pension Operators in 2017. The major issues observed from the reports were un-credited pension contributions, delay in the payment of retirement benefits to the retirees and outstanding commitments from the previous routine examination. The Commission had taken all appropriate measures to ensure that these issues were effectively resolved.

(iii) Review of Corporate Governance Reports

The Commission reviewed Corporate Governance Report from Operators during the year under the review. Following the review of the Report, some key issues were observed, which include; inadequate Board composition, absence of Independent Directors on the Board, attendance and frequency of Board meetings and that of the Board Committees, as well as non-submission of annual performance evaluation report of the Directors and Board of some of the Operators.

2.1.3 Compliance and Enforcement Activities

(i) Compliance of Self-Funded Government Agencies with the PRA 2014

As part of its enforcement drive on self-funded federal government agencies, the Commission conducted on-site inspection on 5 (five) agencies, namely; Nigerian Ports Authority (NPA), Nigerian Civil Aviation Authority (NCAA), Nigerian Airspace Management Agency (NAMA), Federal Airports Authority of Nigeria (FAAN) and Nigerian Customs Service (NCS). The inspection was aimed at determining their level of compliance with the provisions of the PRA 2014.

(ii) Issuance of Compliance Certificates

Pursuant to Sections 2(2) and 2(3) of the Pension Reform Act 2014, the Commission has continued to process and issue certificates to compliant private sector organizations that applied. The pension Compliance Certificate is mandatory for companies bidding for Federal Government contracts as provided in the Public Procurement Act of 2007.

During the year under review, the Commission received 14,490 applications for Compliance Certificates. Out of that number, 13,592 certificates were issued while 898 applications were declined for failure to meet specified requirements. The requirements for the Compliance Certificates are available on our website, www.pencom.gov.ng.

(iii) Recovery of Outstanding Pension Contributions and Penalty from Defaulting Employers

The Commission re-engaged 14 Recovery Agents during the year under review to recover outstanding pension contributions and penalties from defaulting employers. Consequent upon issuance of demand notice to defaulting employers whose liabilities had been established by the consultants, some outstanding pension contributions and penalty had been paid by some of the affected employers.

As at 31 December, 2017 the sum of ₦2,293,620,725.71 had been recovered by the Agents. This brought the total recoveries made by the Agents to ₦13,695,155,214.88 representing principal contribution of ₦6,947,552,487.43 and

penalty of ₦6,747,602,727.45. These amounts had since been credited to the respective RSAs of the affected employees.

In addition, 61 employers that failed to remit outstanding pension contributions and penalties were taken to court during the year for violating the provisions of the PRA 2014. Subsequently, most of the employers requested to settle out of court while others remitted their outstanding pension contributions and penalties to the respective RSAs of their employees.

(v) Update on Implementation of the Contributory Pension Scheme by State Governments

As at 31 December, 2017, the number of States that enacted laws on the Contributory Pension Scheme (CPS) stood at 27, while eight (8) States were at the bill stage. Conversely, one (1) state was yet to commence the process of enacting a law on the CPS.

The twenty-seven states (27) States that enacted laws on the CPS 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, while the eight states at the stage of drafting their laws included Katsina, Benue, Kwara, Plateau, Cross River, Abia, Ebonyi, Bauchi and Borno.

(vi) Update on Supervision of the Pension Transitional Arrangement Directorate

In line with the Commission's mandate to regulate and supervise the activities of the Pension Transitional Arrangement Directorate (PTAD) as contained in Section 48 (1) of the PRA 2014, the Commission conducted the 2017 Routine Examination of the agency.

Additionally, representatives of the Commission served as observers during the last phase of the verification exercise of the Civil Service Pensioners conducted by PTAD in the South-West and North-Central geo-political zones of the country.

The Commission also continued to monitor the payment of pensions to Public Service Retirees under the Defined Benefit Scheme (DBS) through monthly statutory returns from PTAD as well as continuous follow-up to ensure that complaints from pensioners were resolved.

2.1.4 Resolution Activities

(i) Update on NSITF Fund

a. Transfer of NSITF Contributions into Members Retirement Savings Account

During the year ended 31 December, 2017, the Commission reviewed and conveyed approval to Trustfund PFA for the transfer of ~~₦~~1,029,512,824.99 into the Retirement Savings Accounts (RSAs) of 16,629 members of the defunct NSITF Pension Scheme. This brought the total NSITF contributions transferred to ~~₦~~9,675,888,036.64 in favour of 134,572 NSITF Scheme members.

b. Payment of Benefits

Lump Sum Payments

During the year under review, the Commission granted approval to Trustfund for the payment of ~~₦~~1,554,103,930.88 to 16,113 NSITF members. Thus, to date, ~~₦~~2,902,338,225.81 had been paid as Lumpsum to 35,552 NSITF Members

Monthly NSITF Pensions Payments

The Commission granted approval to Trustfund for the payment of monthly pension totalling ~~₦~~22,628,413.73 to 3,364 NSITF Pensioners. This brought the total pension payment to NSITF pensioners to ~~₦~~4,082,018,579.34 billion as at 31 December 2017.

2.1.5 Supervision of Investment of Pension Assets

(i) Analysis of Investment Valuation Reports

The Commission continued its analysis of the daily investment valuation reports submitted by pension operators. The valuation reports enabled the Commission to monitor compliance by the PFAs with the Regulations on Investment, Valuation and Fees Structure. The analysis revealed that PFAs substantially complied with the provisions of the Investment Regulation.

However, there were 2 noted cases of infractions during the year:

- i. Three PFAs were sanctioned for sub-optimal annual return on investment on their respective RSA Funds in 2017; and
- ii. A PFA was sanctioned for sub-optimal investment in FGN Bonds.

The Commission had applied the appropriate monetary penalties in accordance with the sanctions regime and the PFAs were made to refund the projected lost income, amounting to ~~N~~418 million to the various RSA Funds.

(ii) Adoption of International Financial Reporting Standards (IFRS) by Pension Funds

The Commission in collaboration with the Financial Reporting Council of Nigeria (FRC) on 4 August 2017, issued a joint statement on the adoption of International Financial Reporting Standards (IFRS) by Pension Funds (to be known as the Nigerian Generally Accepted Accounting Principles). The adoption of IFRS by pension funds took effect from 1 January 2017.

(iii) Supervision Collaboration Agreement with FMDQ OTC Plc

The Commission commenced the implementation of the Fixed Income Reporting, Monitoring and Surveillance System (PenDealer) in September 2017. The system was developed in collaboration with FMDQ OTC Plc, in order to enhance transparency in the fixed income trades of PFAs in the secondary market.

2.1.6 Databank on Pension Matters

(i) Enrolment of Federal Government Employees Due for Retirement in 2018

A total of 20,854 FGN employees due to retire in 2018 were enrolled for payment of accrued benefits during the 2017 annual verification and enrolment exercise. An additional 593 employees were enrolled at the in-house enrolment exercise for those employees who were unable to attend the main enrolment exercise. This resulted in a total number of 21,447 prospective retirees who were enrolled during the year.

(ii) Update on Retirement Benefits Bond Redemption Fund Account

The sum of ~~N~~89.7 billion was released into the Retirement Benefits Bond Redemption Fund (RBBRF) account by the Office of the Accountant General of the Federation between January, 2017 and December 2017 for the payment of accrued pension rights.

During the year under review, the Commission processed and paid a total sum of ~~N~~88.7 billion into the RSAs/Death Benefits Account¹ (DBAs) of 20,808 Retirees/Next of Kin's (NOKs).

¹ These are nominal accounts created for employees who died without opening RSAs

2.2 Departmental Activities

2.2.1 Benefits and Insurance Department

The Department processed the requests for approval of retirement/terminal benefits submitted by the PFAs on behalf of retirees / contributors. These include applications for accessing death benefits, access to RSAs on health grounds, payments to foreign nationals, temporary loss of job cases and employees who disengaged from work before attaining 50 years.

2.2.2 Compliance and Enforcement Department

The Department continued to implement various strategies to ensure compliance with the provisions of the PRA 2014 by both private and self-funded public sector organizations. The strategies included issuance of Pension Compliance Certificate, public enlightenment and engagement of Agents to recover outstanding pension contributions with penalties. The Department also processed the refund of pension contributions to the Military and Security/Intelligence personnel that were exempted from the CPS. Furthermore, it supervised the Pension Transitional Arrangement Directorate (PTAD) as well as the on-going transfer of NSITF contributions into members' Retirement Saving Accounts (RSAs), pursuant to the provisions of Section 53 of the PRA 2014.

2.2.3 Contributions & Bond Redemption Department

The Department computed and remitted the pension contributions of employees of Treasury-Funded Federal Government of Nigeria (FGN) Ministries, Departments and Agencies (MDAs) as released by the Office of the Accountant-General of the Federation (OAGF). The department also remitted accrued benefits into the RSAs of retirees and deceased employees of the FGN in accordance with the provisions of the PRA Act 2014.

In addition, the Department also conducted verification/enrolment and validation of prospective retirees of FGN MDAs for the computation of their accrued pension rights in accordance with the provisions of the PRA Act 2014.

2.2.4 Corporate Communication Department

The Department promoted the corporate image of the Commission and conducted sensitization programs to enlighten the general public on the roles and activities of Commission as well as the workings of the CPS through the print and electronic media, in addition to other social media platforms. The department also enlightened internal stakeholders through the quarterly newsletter, which highlights significant issues in the pension industry and the Commission.

2.2.5 Corporate Responsibility & ServiCom Department

A Staff Volunteer Programme (SVP) was carried out, which included the renovation of the Nomadic Primary School, Galadimawa II, FCT and provision of basic needs to the pupils of the school. Similarly, the department under its initiative tagged “PenCom Charity” donated new and gently used clothes, toys, shoes and other re-useable items to charity. Beneficiaries included Nomadic Community in Galadimawa II; St. John Catholic Community, Keffii; and the Internally Displaced Persons (IDPs), Wasa Camp, Apo Resettlement all within Abuja. Similar donations had been carried out by the Commission’s six Zonal Offices.

The department also managed the Commission’s Front Desk, the Commission’s Contact Centre and resolves complaints and enquiries. These are part of the Commission’s overall service delivery activities.

2.2.6 Financial Planning Department

The department is tasked with the preparation, monitoring and analysis of Commission’s annual budget. It also prepares periodic reports on budget implementation and performance as well as the preparation of supplementary budgets when required. In addition, the department 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 therefrom into contributors’ RSAs with the PFAs.

2.2.7 General Account Department

The Department maintained complete, accurate and reliable financial records as well as ensured the provision of funds for the smooth operations of the Commission. It also facilitated the external audit of the Commission’s accounts for the year ended 31 December 2017 and ensured best practices were adhered to on the physical control of the Commission’s fixed assets.

2.2.8 Human Resources Department

The Department is tasked with the human resource management functions of the Commission. These include determination of manpower needs, employee deployments to functional areas, compensation and records management, amongst others. It is also responsible for training and development of the Commission’s staff and the Pension Industry. The Capacity building for the Staff was aligned to the Commission’s strategic objectives and appropriate training programmes were identified to address noted skill gaps. In achieving this, the Department facilitated several in-plant training courses in addition to external training programmes.

2.2.9 Information Technology Department

The Department continued to provide robust Information and Communication Technology (ICT) infrastructure to ensure smooth running of all ICT support applications in the Commission. It also ensured the availability of operational services through effective supervision of the Data Centre facilities. Furthermore, support services were provided to the staff in the discharge of their functions while ensuring the smooth operations of the existing hardware and connectivity within the Commission. The Department also rendered technical support during the nationwide Enrolment Exercise for FGN employees retiring in 2018.

2.2.10 Internal Audit Department

The Department conducted prepayment and post payment audits of the financial transactions of the Commission. It also carried out revenue assurance, which ensures revenues due are received and correctly recorded. In addition, it carried out a Pre-payment audit exercise of all financial transactions of the Commission for the year ended 31 December, 2017. These include; reconciliation of remittances of pension contributions made to PFAs/PFCs; Accrued Rights of retiring Federal Government employees and remittances of pension contributions by the Contributions & Bond Redemption Department; Quarterly stock; price intelligence on frequently used items; and audit of the operations of the Zonal Offices of the Commission.

2.2.11 Investment Supervision Department

The Department supervised the investment of pension fund assets through the review of daily portfolio valuation reports of the RSA Funds. It also reviewed the monthly reports of the CPFA, AES and other Legacy Funds. The department is primarily responsible for ensuring the safety and maintenance of fair returns on pension fund investments by the Pension Fund Managers. Furthermore, it also ensured that pension fund assets were properly valued and complied with the stipulated Regulation on the Valuation of Pension Fund Assets.

During the year under review, the Regulation on Investment of Pension Fund Assets was amended and issued in April 2017. The major amendment to the Regulation is the introduction of the Multi-Fund Structure for RSA Funds, conceived by the Commission to align the demographic distribution of registered contributors with their respective risk appetites, which would result in enhanced investment returns and higher RSA balances for contributors at retirement.

2.2.12 Management Services Department

The Management Services Department provided logistics support services for the smooth operations of the Commission. It has the mandate of managing the Commission's facilities and utilities while ensuring that all logistic requirements for the Commission's daily activities are provided and maintained. The Department is

also tasked with the provision of work tools, equipment and adequate maintenance of the Commission's facilities at the Zonal Offices.

2.2.13 Micro Pension Department

The Department is mandated to setup and implement an enabling framework and guidelines for the participation of employees of organisations with less than three employees as well as the self-employed persons in the CPS through the Micro Pension Plan in order to assist them to save for retirement during old age. The Department carried out several enlightenment and awareness visits to unions and Associations with the view to enlighten them, get their buy-in and obtain insights on their preferences for the Micro Pension Plan.

2.2.14 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.

2.2.15 Procurement Department

The Procurement Department is responsible for the procurement of goods, works and services for the Commission. These functions are carried out under strict adherence to the Public Procurement Act 2007 and other guidelines & regulations as issued by the Bureau of Public Procurement (BPP).

2.2.16 Research and Strategy Management Department

The Department is responsible for driving the formulation, monitoring and implementation/performance evaluation of the initiatives contained in the Commission's Corporate Strategy Plan. It coordinates research activities and research findings that form the basis of policy decisions of the Commission. It also prepared the Commission's Quarterly and Annual Reports. Similarly, it 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 and also managed the Commission's website while other activities included the management of the Commission's Library etc.

The Department conducted a Baseline Survey on customer satisfaction with the pension services. The survey was designed to obtain baseline data on customer satisfaction and the level of pension literacy. The survey was conducted across the 36 states and the FCT with over 3,000 respondents (74.54 percent from the public sector and 25.46 percent for the private sector).

2.2.17 State Operations Department

The Department provided technical support in the implementation of the CPS by State Governments, while it continued to provide services nearer to stakeholders notably- requests for compliance certificate, resolution of complaints and enquiries, conduction of awareness programs and engagement of State Government authorities in driving compliance to the CPS.

The Department also carried out the maiden and routine inspections of Pension Boards/Bureaux to ascertain the level of compliance with the CPS and level of implementation of the recommendations contained in the maiden inspection reports.

Furthermore, the Department conducted sensitization workshops for State House of Assembly's, employees and labour officials in the State on the workings of the CPS. This is with the aim of driving the implementation of CPS in the states.

2.2.18 Surveillance Department

The Department examined all Licensed Operators within the period as well as Special (Target) Examination using the Risk Based Supervision (RBS) approach to ensure the effective administration of the Pension Industry. The RBS approach of the Commission endeavours to ensure 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. In line with the consultative philosophy of PenCom, bi-monthly Consultative meetings with licensed Operators in the Pension Industry were held during the year under review.

2.2.19 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 custody of the Commission's seal, original copies of legal instruments and other correspondence of the Commission are under the purview of the Commission Secretariat, while the corporate legal services are structured under the portfolio of the Legal Department.

In addition, the department provided legal advisory support and advice to other departments on operational issues, complaints forwarded by the Solicitors on behalf of retirees, contributors, and beneficiaries of deceased employees of the Scheme.

In enforcing the provisions of the PRA 2014 and ensuring the prosecution of defaulting employers that have refused/failed to comply with the Act, the department managed pending cases, as well as potential litigations involving the Commission, directly and through the engagement of external solicitors.

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 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 conducted sensitization workshops for members of the Bauchi State House of Assembly, employees in Oyo State and labour officials in Gombe State. Workshops were also conducted for Electricity Distribution Company employees in Delta, Edo, Ekiti and Ondo States.
- ii. Training on the workings of the CPS was held for the management and staff of the Niger State Pension Board, the Jigawa State and Local Governments Contributory Pension Scheme Board, the Kaduna State Pension Board, the Kebbi State Contributory Pension Board, the Zamfara State Pension Commission, Zamfara Local Governments Pension Board, Katsina State Board of Internal Revenue and the Pension Desk Officers of the Federal Capital Territory Administration (FCTA) and the Area Councils.
- iii. Sensitization Workshops on the CPS were conducted for the Association of Proprietors of Private Schools (NAPPS) Adamawa and Borno State Chapters, Akamu Ibiam Federal Polytechnic in Ebonyi State, University of Ibadan and National Veterinary Research Institutes, VOM, Plateau State, in the Education Sector.
- iv. The Commission organized sensitization Workshop on the CPS under the health sector for the Guild of Medical Directors/Proprietors of Private Clinics in Taraba State.
- v. The Commission engaged and sensitized the members of the Hotel Owners Association (HOA) Anambra State Chapter.
- vi. Five (5) Operational Consultative Forum with Operators where held during the year where developments as well as challenges in the pension industry were discussed and solutions proffered.
- vii. Workshops for Pension Desk Officers (PDOs) of Treasury Funded Ministries, Departments and Agencies in Kaduna and Lagos where organized by the Commission on 27 November, 2017 in Kaduna, and 30 November 2017 in Lagos.

- viii. The Commission facilitated the launching of the CPS in Kaduna State by the State Governor, Mall. Nasir El-Rufai with the attendance of the Director General of the Commission, and other staff of the Commission. The event was also aired on "Pension Matters" on NTA Network 23 February 2017.
- ix. The Commission facilitated the featuring of various Radio and Television programmes aimed at enlightening the public about the CPS. 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.
- x. The Commission participated in the following Public Hearings organized by the National Assembly:
 - a. The proposed Bill for an Act to amend the Pension Reform Act, 2014 to exclude members of the Nigeria Police, the Nigeria Security and Civil Defence Corp, the Nigeria Customs Service, the Nigeria Prison Service, Nigeria Immigration Service and the Economic and Financial Crimes Commission from the application of the CPS held on 28 September, 2017;
 - b. The proposed Bill for an Act to amend certain Provisions of the Pension Reform Act, 2014 which includes upward review of minimum rate of employers' portion of pension contribution from 10 percent to 12 percent and several alterations to the existing provisions held on 28 September, 2017;
 - c. The proposed Bill for an Act to further amend the PRA 2014 to Provide for Definite Percentage a Retiree Can Withdraw from his RSA and for other Matters Related Thereto held on 29 November, 2017.
 - d. The Public Hearing by the House of Representatives Ad-Hoc Committee on Investigation of Operational Activities of Telecommunications Equipment and Service Companies/Vendors in Nigeria.
 - e. The Public Hearing by the Senate Ad-Hoc Committee on Alleged Mis-Use, Under Remittance and Other Fraudulent Activities in Collection, Accounting, Remittance and Expenditure of I.G.R by Revenue Generating Agencies.
- xi. Other enlightenment activities carried out by the Commission include:
 - a. The coordination of the Interactive Session organized by House of Representatives Committee on Housing on 21 December, 2017.
 - b. Liaising with the Senate Committee on Establishment and Public Service and the House of Representatives Committees on Public Accounts,

Public Petitions, Public Procurement, Capital Markets & Institutions and Pensions by providing necessary information and documents to the Committees.

- c. Organized sensitization workshops on the CPS for the Controllers of Labour in the 36 States of the Federation and Led a discussion in Hausa Language on the CPS at the Hausa Pension Seminar (HAPSE) organized by Gifted Business Solutions and Tutorial Services for Small and Medium Enterprises and Labour Union in Kano State.
- d. Participated at the Abuja International Trade Fair. An Exhibition stand was set up to handle complaints and reach out to the Micro, Small and Medium Enterprises (MSMEs) in the informal sector to enlighten them and get their buy-in on the proposed Micro Pension Plan.
- e. The Commission carried out several enlightenment and awareness visits to Unions and Associations.
- f. The Commission organized a 3 day Lead Examiners Retreat at Grand Pela Hotel, Durumi, Abuja.
- g. The Zonal Offices also conducted a total of 18 awareness campaigns on the CPS in 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 Commission had continued to facilitate and actively participate in various initiatives to encourage increased deployment of pension funds into critical sectors of the Nigerian economy, especially infrastructure and housing development. These initiatives include the N100 billion Sovereign Sukuk, N11 billion Sovereign Green Bond and Family Homes Fund (being anchored by the Federal Ministry of Finance).
- ii. The Commission, through a Memorandum of Association, collaborated and successfully facilitated the introduction of Pension Courses at Ahmadu Bello University, Zaria, Kaduna State, Nigeria. Similar discussions were ongoing with the University of Lagos.

2.4 Membership of Professional Organizations

The Commission maintained its memberships of two international professional organizations, namely, the International Organization of Pension Supervisors (IOPS) and the International Social Security Association (ISSA). It also continued to leverage 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 microeconomic environment witnessed a slow, but steady growth during the year under review. This is evident as the real Gross Domestic Product (GDP) grew by 0.88 percent maintaining positive growth since it emerged from economic recession in the second quarter of the year. The growth rate was higher, by 2.42 percent, than the -1.58 percent recorded in 2016. In addition, the aggregate nominal GDP grew by 12.02 percent to stand at ₦114.91 trillion compared to ₦102.57 trillion in the previous year. The oil sector grew by 4.79 percent, in contrast to -14.45 percent growth recorded in the foregoing year. The sector contribution to the GDP increased by 0.33 percentage points from 8.35 percent recorded in 2016 to stand at 8.68 percent in the period under review. The non-oil sector recorded 0.47 percent growth, representing 0.69 percentage points more than -0.22 percent of 2016. The non-oil sector contributed 91.32 percent to the country's GDP.

The consumer price index eased during the year under review with inflation rate closing at 15.37 percent as at 31 December, 2017 compared to 18.55 percent recorded in December, 2016. This represented a 17.14 percent decline in the inflation rate in 2017. The average inflation rate during the year was 16.50%. The drop in the inflation rate could be explained by the stability in the foreign exchange market, increased agricultural output among other economic recovery indicators. This development is positive for the retirees since it would lead to an increase in their purchasing power. It would also result in achieving real returns on pension fund investments.

3.1.2 Developments in the Stock Market

Nigeria stock market witnessed a resurgence of activity with a 42.03 percent return in 2017, compared to the negative return of 6.17 percent in 2016. The market capitalization moved from ₦16.19 trillion in 2016 to close at ₦22.92 trillion in the reporting period. The bullish trend of the stock market had seen the NSE All Share Index increased by 11,368.57 basis points, from 26,874.62 basis points in 2016 to close at 38,243.19 basis points by the end of 2017. All the NSE market indices recorded positive returns except the Alternative Securities Market Index (ASeM), which declined by 8.90 percent. The NSE Banking index emerged as the top performing index of 2017 with a return of 73.32 percent, followed closely by the NSE Pension Index with 70.33 percent. The Pension index tracks the performance of the NSE's top 40 companies by market capitalization, liquidity and are also eligible for pension fund investments as prescribed by the Investment Regulation. The total equity market capitalization grew by 47.15 percent from ₦9.26 trillion in 2016 to ₦13.62 trillion as at the end of 2017.

The performance of the market was influenced by improvement in global oil prices, increased domestic output and stronger foreign reserves engendering greater foreign portfolio investment. There was also an improved foreign exchange stability and ease of doing business as Nigeria improved by 24 places in the World Bank Rankings.

3.1.3 Developments in the Bond Market

The bond market capitalization increased by ~~₦~~2.37 trillion from ~~₦~~6.93 trillion in the previous year to ~~₦~~9.29 trillion in 2017, representing an increase of 34.17 percent over the period. The Federal Government of Nigeria (FGN), which is the dominant player in the market, issued a Eurobond worth \$1.5 billion that was oversubscribed in the international capital market by about 800 percent. Three (3) other pioneer issuances by the FGN included the 5-year \$300 million FGN Diaspora Bond, the ~~₦~~100 billion FGN Sukuk and the ~~₦~~10.69 billion FGN Green Bond. However, there was reduced activity in the Corporate Bond segment of the market, which raised ~~₦~~21.5 billion in three (3) issues during the period compared to ~~₦~~86.1 billion recorded in the previous year, representing a 75 percent decline.

The performance of the bond market in 2017 as presented above showed mixed results for both the public and private sector. Although it recorded increased new debt securities issuances over the preceding year, there was a gradual moderation of bond yields from the 2016 price levels. The declined yield across various tenures might be a result of the greater returns on the variable asset classes due to improvements in the key macroeconomic indicators such as inflation easing, foreign exchange stability and bullish run in the equities market.

3.1.4 Developments in the Money Market

The Central Bank of Nigeria (CBN) sustained a tightening stance in 2017 since raising the Monetary Policy Rate (MPR) to 14 percent in 2016 as part of price stabilization measure. Similarly, the Cash Reserve Ratio (CRR) on private sector deposit remained same as the previous year at 22.5 percent.

The monetary indicators showed mixed results due to the restrictive monetary policy of the CBN. This was evident with rates on deposits of various maturities closing at a range of 4.08 – 11.14 percent in the period under review compared with a range of 4.18 – 10.76 percent in the previous year. At the interbank market, the rates declined to 9.49 percent from 10.39 percent recorded in 2016. The prime and maximum lending rates closed at 17.71 percent and 30.99 percent respectively at the end of 2017.

3.2 Licensing of Operators

There was no new licence issued by the Commission in 2017, thus the number of pension operators remained 51 as in 2016. A breakdown of the Pension Fund Operators is given in Table 3.1

Table 3.1: Number of Pension Operators as at 31 December, 2017

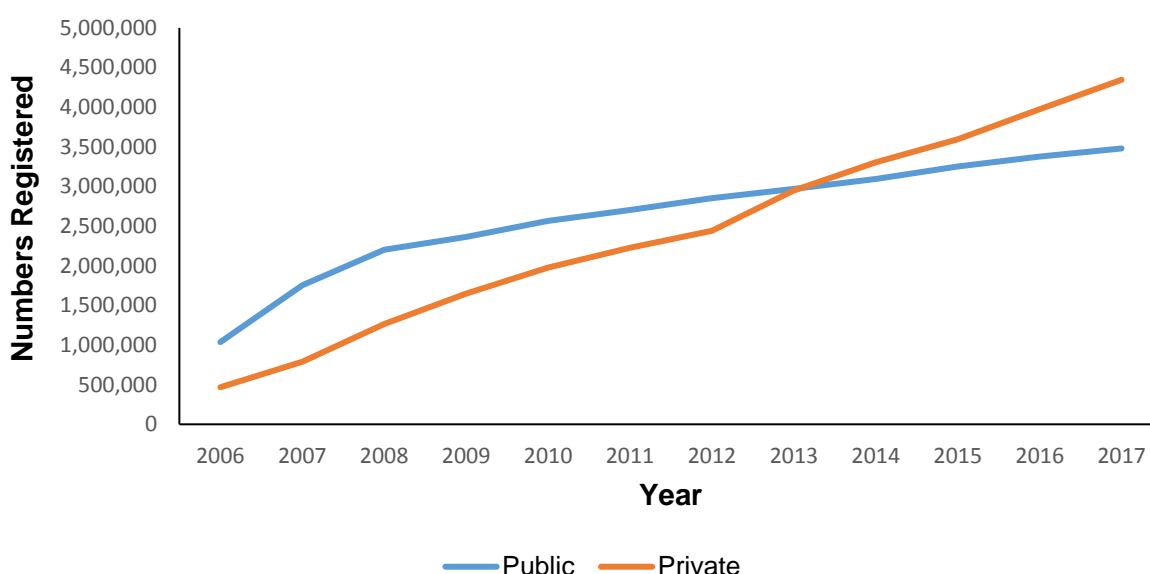
Pension Operators	2011	2012	2013	2014	2015	2016	2017
Pension Fund Administrators	24	20	20	21	21	21	21
Pension Fund Custodians	4	4	4	4	4	4	4
Closed Pension Fund Administrators	7	7	7	7	7	7	7
Approved Existing Schemes	19	19	19	19	19	19	19
Total	54	50	50	51	51	51	51

3.3 Membership of Pension Schemes

The total membership of pension schemes increased by 6.42 percent from 7,412,653 as at 31 December, 2016 to 7,888,559 as at 31 December, 2017. Membership of RSA scheme dominated total pension scheme memberships at 7,823,911 representing 99.18 percent. The AES and the CPFA however accounted for the balance of 0.82 percent of the total pension schemes membership.

3.3.1 Membership of the RSA Scheme

The total RSA registration in the private and public sectors recorded an increase of 475,883 as total registration moved from 7,348,028 in 2016 to 7,823,911 in 2017, representing an increase of 6.48 percent. The private sector accounted for a larger proportion of total registration in 2017 at 4,345,044, which was 55.54 percent of the RSA registrations. A graphical presentation of public/private sector memberships of RSA is presented in Figure 3.2.

**Figure 3.1: RSA Registration by Sector**

A further review of Figure 3.2 shows that the total number of registered RSA holders increased in both the public and private sectors from inception to date. However, the rate of increase in the private RSA registrations was higher than the public sector. The increase in private sector RSA registrations could be explained by such factors as the activities of Recovery Agents whose functions were to recover outstanding pension contributions from private sector employers as well as interest penalties on the outstanding contributions and ensure that private sector organizations that employ 3 or more employees comply with the scheme. In addition, there was the enforcement of the requirement of the Public Procurement Act 2007 that bidders for Federal Government contracts must provide evidence of compliance with PRA 2014. Similarly, the level of awareness created in the private sector through intensive sensitization workshops and seminars by the Commission and operators had facilitated increased registration from the private sector.

A review of RSA registration by age distribution shows that the contributors in the age bracket “30-39” accounted for the largest proportion of RSA holders in 2017 as shown in Table 3.1. This age category accounted for 37.75 percent of RSA holders during the period under review. RSA holders in the age bracket “40-49 years” accounted for 27.61 percent of the registered RSA holders as at the end of the year. In all, these two age categories accounted for more than half of the RSA holders as at the end of 2017 at 65.37 percent of the total RSA registrations.

Table 3.2: RSA Registrations as at 31 December, 2017

Age Bracket	Public Sector		Private Sector		Total		Grand Total	Weight (%)
	Male	Female	Male	Female	Male	Female	Number	
Less than 30 yrs	92,016	45,294	395,702	197,227	487,718	242,521	730,239	9.33
30 - 39 yrs	722,992	359,819	1,349,074	521,860	2,072,066	881,679	2,953,745	37.75
40 - 49 yrs	633,753	392,344	886,726	247,727	1,520,479	640,071	2,160,550	27.61
50 - 59 yrs	548,899	311,274	455,105	86,206	1,004,004	397,480	1,401,484	17.91
60 - 65 yrs	192,953	74,985	119,425	14,271	312,378	89,256	401,634	5.13
Above 65 yrs	83,014	21,524	65,431	6,290	148,445	27,814	176,259	2.25
Total	2,273,627	1,205,240	3,271,463	1,073,581	5,545,090	2,278,821	7,823,911	100.00

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

It is expected that RSA registration will continue to grow as the micro pension plan kicks-off in 2018 and increased participation by the organized private sector in view of compliance efforts of the Commission and the marketing strategies of the PFAs. It is expected that the Pension Industry would continue to leverage on the stable macro-economic policies, robust economic growth, and collaboration with other regulatory agencies upon which the industry had thrived in the past.

3.3.2 Memberships of CPFA and AES

The respective memberships of CPFAs and AES were 23,697 and 40,951 as at 31 December, 2017 as shown in Tables 3.3 and 3.4 respectively. There were no remarkable changes in their memberships over the period 2016 and 2017 due to their being occupational pension schemes restricted to employees of the sponsoring organizations.

Table 3.3: Membership of CPFA in 2017

Enrolment Type	2016		2017	
	Number	% of Total	Number	% of Total
Active Members	17,325	72.24	16,846	71.09
Current pensioners	6,020	25.1	6,224	26.26
Deferred Pensioners	638	2.66	627	2.65
Total	23,983	100.00	23,697	100.00

Table 3.4: Membership of AES in 2017

Enrolment Type	2016		2017	
	Number	% of Total	Number	% of Total
Active Members	23,836	58.65	24,255	59.23
Current pensioners	15,423	37.95	15,313	37.39
Deferred Pensioners ¹	149	0.37	149	0.36
Dependants ²	1,234	3.04	1,234	3.01
Total	40,642	100	40,951	100

Note: ¹ Dependants are protégés of deceased employees

² Deferred pensioners are pensionable retirees who are not eligible to start drawing pensions until they reach certain age in accordance with the rules and regulations of their respective schemes.

3.4 Pension Contributions

During the year under review, the total pension contributions into the RSA of employees in both the private and public sectors amounted to ~~N~~610.84 billion as shown in Tables 3.5 and 3.6. The public sector accounted for ~~N~~257.11 billion, which represents 42.09 percent of total pension contributions in the year. Accordingly, total pension contributions had cumulatively amounted to ~~N~~4,487.40 billion as at 31 December 2017. This was made up of ~~N~~2,297.57 billion contributions from the public sector, which represents 51.20 percent of total contributions and ~~N~~2,189.83 billion from the private sector, which represents the remaining balance of 48.80 percent.

Table 3.5: Public Sector Pension Contributions as at December 2017

Year	Amount (N Billion)	Percentage of Total
2004	15.6	0.68
2005	34.68	1.51
2006	37.38	1.63
2007	80.63	3.51
2008	99.28	4.3
2009	137.1	5.9
2010	162.46	7.07
2011	228.92	9.9
2012	302.24	13.15
2013	278.50	12.12
2014	237.49	10.35
2015	200.05	8.71
2016	225.86	9.83
2017	257.11	11.19
Total	2,297.57	100.00

During the year under review, the total contributions of the public sector included ₦2,297.57 billion from participating State, Local Governments employees and self-funding State and FGN agencies. The accumulated contributions from the public sector increased from ₦2,040.19 billion in 2016 to ₦2,297.57 in 2017, representing an increase of 11.07 percent.

Table 3.6: Private Sector Pension Contributions as at December 2017

Year	Amount (N Billion)	Percentage of Total
2006	23.03	1.05
2007	68.34	3.12
2008	80.81	3.69
2009	91.21	4.17
2010	103.03	4.70
2011	119.53	5.46
2012	159.52	7.28
2013	225.42	10.29
2014	343.89	15.71
2015	358.91	16.39
2016	262.33	11.98
2017	353.73	16.15
Total	2,189.75	100.00

Similarly, the accumulated private sector pension contribution recorded an increase of 19.27 percent in 2017 as it moved from ₦1,836.02 billion in 2016 to ₦2,189.75 billion in 2017.

3.5 Pension Funds Portfolio Analysis

3.5.1 Industry Portfolio Analysis

The total value of Pension Fund Assets based on unaudited valuation reports stood at ₦7.61 trillion as at 31 December, 2017. This represented a net growth of ₦1.35 trillion (22 percent), when compared with the value of ₦6.16 trillion as at 31 December, 2016. The growth resulted primarily from monthly inflows of pension contributions into the RSA Funds, which averaged ₦52 billion per month; funds injected by scheme sponsors of DB-based CPFA and AES Funds; and investment incomes.

Table 3.7 below gives a breakdown of the various categories of pension funds and their respective assets allocations as at 31 December 2017 as well as comparative figures for 2016.

Table 3.7: Pension Fund Portfolio as at 31 December 2017

Asset Class	RSA		AES	CPFA	Total				Variance (Between 2017 and 2016)	
	Active	Retiree			2017		2016			
	Amount (N'Bn)	Amount (N'Bn)	Amount (N'Bn)	Amount (N'Bn)	Amount (N'Bn)	Weight (%)	Amount (N'Bn)	Weight (%)	Amount (N'Bn)	Weight (%)
Quoted Ordinary Shares	509.66	4.27	93.01	65.06	672.00	8.94	500.43	8.12	171.57	34.28
FGN Securities*	3,799.34	419.83	536.64	536.57	5,292.38	70.43	4,427.31	71.82	865.07	19.54
State Govt. Securities	109.22	15.46	11.92	15.80	152.40	2.03	148.45	2.41	3.95	2.66
Corporate Debt Instruments	161.39	36.52	27.37	42.84	268.12	3.57	285.82	4.64	(17.70)	(6.19)
Money Market Instruments	475.98	79.11	63.17	63.09	681.35	9.07	396.42	6.43	284.93	71.88
Mutual Fund	14.58	-	1.87	8.54	24.99	0.33	19.26	0.31	5.73	29.75
Supranational Bonds	6.10	3.07	-	2.26	11.43	0.15	11.78	0.19	(0.35)	(2.97)
Private Equity Funds	14.16	-	-	11.28	25.44	0.34	19.01	0.31	6.43	33.82
Infrastructure Funds	3.96	-	-	1.76	5.72	0.08	2.07	0.03	3.65	176.33
Real Estate Properties*	-	-	93.96	111.37	205.33	2.73	233.89	3.79	(28.56)	(12.21)
Foreign Investments**	-	-	-	140.00	140.00	1.86	88.84	1.44	51.16	57.59
i. Foreign Equities	-	-	-	104.61	104.61	1.39	84.19	1.37	20.42	24.25
ii. Foreign Money Market Securities	-	-	-	35.39	35.39	0.47	4.65	0.08	30.74	661.08
Cash & other Assets	19.82	4.78	0.21	10.29	35.10	0.47	31.49	0.51	3.61	11.46
Net Asset Value	5,114.21	563.04	828.15	1,008.86	7,514.26	100	6,164.77	100	1,349.49	21.89

Note

* This included ₦48.89 billion balance of yet-to-be reconciled contributions of FGN Treasury funded employees, which was managed by the CBN

**Closed PFAs only

Table 3.7 indicated that investments were predominantly in Federal Government Securities (FGN Bonds, Treasury Bills and Agency Bonds), which accounted for about 70 percent of total pension fund assets, indicating a slight reduction from the 72 percent allocation as at 31 December, 2016. The reduction resulted from the maturity of 2 FGN Agency Bonds (Local Contractors SPV and Federal Mortgage Bank); increased investments in money market instruments due to attractive deposit rates; increased investments in alternative assets such as (infrastructure bonds and funds); and appreciation in the market values of quoted equities during the year.

3.6 Analysis of Portfolio of RSA 'Active' Funds

The Net Assets Value (NAV) of pension fund assets in the RSA 'Active' Funds amounted to ~~N~~5.07 trillion as at 31 December 2017, representing a growth of ~~N~~979.81 billion (24%) over the NAV of ~~N~~4.09 trillion as at 31 December 2016. The growth in 2017 was higher than the increase of ~~N~~693 billion recorded in 2016. 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 2017

Asset Class	Portfolio Limit %	2017		2016		Variance Between 2017 and 2016	
		Amount (N'Bn)	Weight %	Amount (N'Bn)	Weight %	Amount (N'Bn)	Weight %
Quoted Ordinary Shares	25	509.66	10.06	341.78	8.37	167.88	49.12
Federal Government Securities:	80						
i. FGN Bonds		2,996.55	59.16	2,663.43	65.19	333.12	12.51
ii. Treasury Bills		686.63	13.56	463.3	11.34	223.33	48.20
iii. Agency Bonds		5.14	0.10	71.75	1.76	(66.61)	(92.84)
iv. Sukuk		54.94	1.08	0.00	-	54.94	-
v. Green Bond		7.19	0.14	0.00	-	7.19	-
State Government Bonds	20	109.22	2.16	98.87	2.42	10.35	10.47
Corporate Debt Securities	35						
i. Corporate Bonds		155.49	3.07	138.26	3.38	17.23	12.46
ii. Infrastructure Bonds		5.90	0.12	0.00	-	5.90	-
Money Market Instruments	35						
i. Bank Placements		408.51	8.06	279.68	6.85	129.27	46.29
ii. Commercial Papers		67.47	1.33	0.44	0.02	67.03	15234
Mutual Funds:	20						
i. Open/Close-End Funds		5.20	0.10	5.19	0.13	0.01	0.19
ii. REITs		9.38	0.19	9.03	0.22	0.35	3.88
Supranational Bonds	20	6.10	0.12	6.80	0.17	(0.70)	(10.29)
Private Equity Funds	5	14.16	0.28	5.47	0.13	8.69	158.87
Infrastructure Funds	5	3.96	0.08	1.04	0.03	2.92	280.77
Cash & Other Assets		19.82	0.39	0.91	0.02	18.91	2078.02
Net Asset Value		5,065.32	100	4,085.51	100	979.81	23.98

The NAV of ~~N~~5.07 trillion was exclusive of pension contributions of ~~N~~48.89 billion invested in Treasury Bills by the Central Bank of Nigeria, in respect of employees

of Federal Government of Nigeria (FGN) Treasury-funded MDAs, awaiting transfers to their respective RSAs as at 31 December, 2017.

3.6.1 Sources of Portfolio Growth / Diminution

The investment of RSA 'Active' Fund witnessed a net growth of ~~N~~979.81 billion in 2017. The sources of portfolio growth in 2017 and comparative figures in 2016 are provided in Table 3.9 below:

Table 3.9: Sources of Portfolio Growth for Years 2017 and 2016

S/N	Sources Of Portfolio Growth	2017 Amount (N'Bn)	2016 Amount (N'Bn)	Variance Btw 2017 & 2016 Amount (N'Bn)
1.	New Inflow of Funds • Contributions	631.36	557.04	74.32
2.	Investment Income • Interests/Coupons • Dividends • Net Realized Gains/ (Losses) on Equities & Bonds	618.69 19.19 13.42	441.81 11.78 11.81	176.88 7.41 1.61
3.	Net Unrealized Gains/ (Losses) on Quoted Equities/Equity Funds	147.23	(13.19)	160.42
4.	Benefits Paid / Transfers to Retiree Fund	(345.87)	(231.26)	(114.61)
5.	Asset Based Fees (and VAT)	(104.21)	(84.66)	(19.55)
	Total	979.81	693.33	104.48

(i) Contributions Received

The total pension contributions received in 2017 was ~~N~~631.36 billion, representing an increase of 13 percent over the contributions of ~~N~~557.04 billion in 2016. This also translated to an average monthly inflow of ~~N~~52 billion, which was higher than the average of ~~N~~46 billion in 2016. The increase in contributions resulted partly from newly registered Retirement Savings Accounts (RSA) holders.

(ii) Interests/Coupons Earned

The total interest/coupons earned on fixed income and money market investments totalled ~~N~~618.69 billion. The relatively higher interest income in 2017 resulted from a combination of slightly higher yields on bonds and treasury bills especially in the first and second quarters of 2017; as well as increase in the absolute value of fixed income investments.

(iii) Net Unrealized Gains / (Losses) on Equities/Equity Funds

The net unrealized gains on investments in equities/equity funds amounted to ~~N~~147.23 billion, which was significantly higher than unrealized gains of ~~N~~13.19 billion recorded in 2016. This resulted from the appreciation in stock market indicators, as the NSE-ASI appreciated by 42 percent in 2017, compared to 6.17

percent in 2016. The major equities that contributed to the unrealized gains were in the banking and consumer goods sub-sectors, as they appreciated by 73.32 percent and 36.97 percent respectively.

(iv) Net Realized Gains on Equities and Bonds

The net realized gains on sale of equities and bonds amounted to ₦13.42 billion, slightly higher than the ₦11.81 billion recorded in 2016. The realized gains were mostly recorded in Q3 and Q4 of 2017, when yields on FGN bonds trended downwards and market prices of equities appreciated significantly; thus making PFAs to engage in profit-making trades.

(iv) Transfers to RSA Retiree Fund / Benefits Payments

Total transfers to RSA Retiree Funds and benefits payment due to temporary unemployment (payment of 25 percent of RSA balance) amounted to ₦345.87 billion. This represented an increase of 49 percent over ₦225.31 billion transferred in 2016 due to the higher number of retirees in 2017.

(v) Fees and Taxes

The total asset based fees, including value added tax, charged to the RSA “Active” Fund was ₦104.89 billion representing an increase of ₦19.55 billion (23 percent) over the total fees of ₦84.66 billion in 2016. The other allowable expense charged to the Fund was in respect of audit fees, which amounted to ₦357.88 million.

3.6.2 Portfolio Performance

The Weighted Average Rate of Return (WARR) on the RSA ‘Active’ Fund (net of fees and taxes), was 16.42 percent in 2017. The performance was significantly better than the WARR of 11.59 percent recorded in 2016. However, in view of the average inflation rate of 16.55 percent in 2017, the RSA Active Fund recorded a real return of -0.13 percent as shown in Figure 3.2. However, this represented an improved real return when compared with -4.04 percent recorded in 2016.

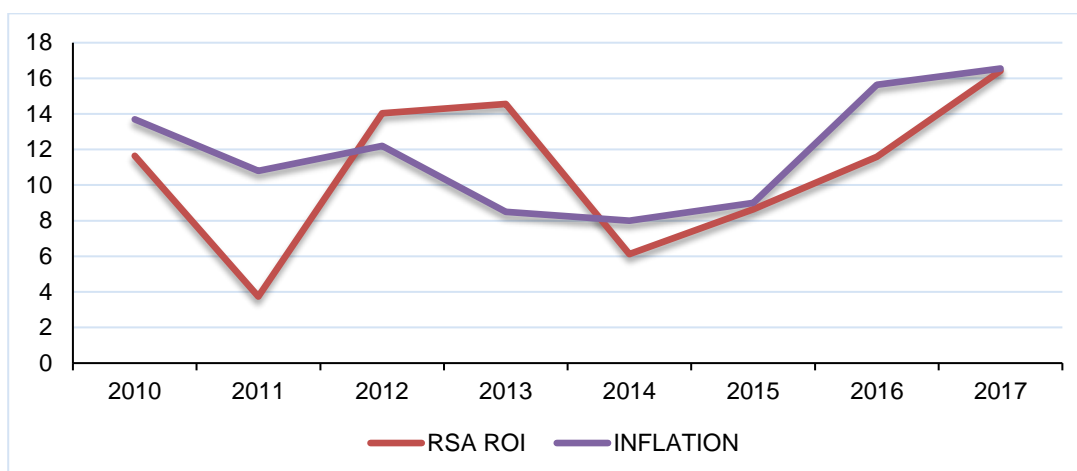


Figure 3.2: Return on Investment - RSA ‘Active’ Funds vs Inflation Rate

The performance of the RSA ‘Active’ Funds was significantly impacted by performance of the stock market in 2017. The Nigerian Stock Exchange All Share Index (NSE-ASI) appreciated from 26,874.62 basis points on 31/12/2016 to 38,243.17 basis points as at 31/12/2017, indicating a return of 42.30 percent in 2017.

The PFAs performances were to a large extent, a reflection of their exposure to quoted equities. Most of the PFAs that had relatively high returns had high actual allocation to quoted equities. The PFAs’ exposure of the RSA Active funds to quoted equities was 7.7 percent as at the end of Q1:2017; but this gradually increased to 10.06 percent by the end of Q4:2017. It is noteworthy that the introduction of the I & E foreign exchange window by the CBN and return of foreign portfolio investors impacted positively on the equities market.

Overall, the negative real return of the RSA Active Fund in 2017, highlighted the need for further portfolio diversification and increased investments in alternative assets by PFAs.

3.6.3 Review of Asset Classes

(i) Domestic Quoted Ordinary Shares

The market value of investments in quoted ordinary shares was ~~N~~509.66 billion as at 31 December 2017, representing 10 percent of portfolio value. This was a growth ~~N~~167.88 billion, over the value of ~~N~~341.78 billion as at 31/12/16; and resulted primarily from market valuation.

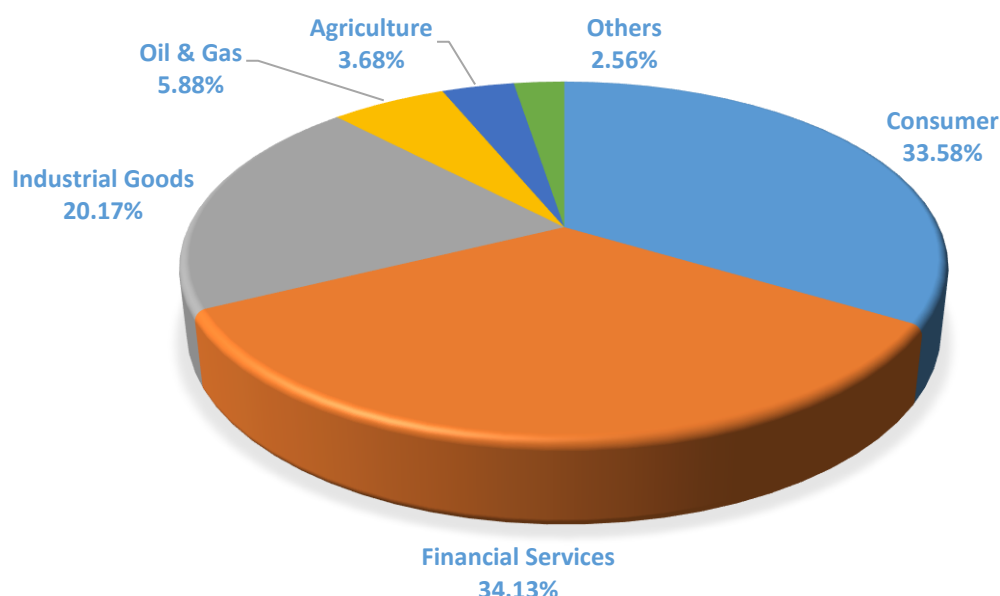


Figure 3.3: RSA 'Active' Fund Investments in Ordinary Shares based on NSE Sub-Sectors

Five out of the eleven sector classifications of the NSE accounted for 97 percent of total equity investments by PFAs. Investments in the Financial Services sub-sector (Banking & Insurance) had the highest actual assets allocation of 34 percent of total value of equity investments, up from 27 percent in 2016. Other major investments were in Consumer Goods (34 percent); Industrial Goods (20 percent); Oil & Gas (6 percent); and Agriculture (4 percent).

It is worthwhile to state that the equity investments were within approved portfolio, per issuer and per issue limits as well as satisfied the minimum quality requirements, as stipulated in the Regulation on Investment of Pension Fund Assets (the Regulation).

(ii) Federal Government of Nigeria (FGN) Securities

The investments in Federal Government of Nigeria (FGN) Securities, namely bonds and treasury bills, were valued at ₦3.75 trillion as at 31/12/17; and represented a growth of 17 percent over the figure of ₦3.20 trillion as at 31/12/2016. Table 3.10 below shows the breakdown of investments in FGN Securities.

Table 3.10: Breakdown of FGN Bonds as at 31 December, 2017

S/N	Securities	Amount N'Billion
1	FGN Bonds	2,996.55
2	FGN Agency Bonds	5.14
3	FGN Sukuk	54.94
4	FGN Green Bond	7.19
	Total	3,063.82

The FGN issued its 1st Sukuk in September 2017, valued at ₦100 billion, which was fully subscribed. The proceeds of the Sukuk would be deployed to the construction and rehabilitation of some major road networks in the country. Similarly, the FGN issued its 1st ₦10.69 billion 5-Year Sovereign Green Bond in December 2017, to fund some environmentally friendly renewable energy projects. The investments by PFAs in the Sukuk and Green Bond were ₦54.94 billion and ₦7.19 billion, respectively.

Conversely, two FGN Agency Bonds; namely the Local Contractors' Bond II & III and the Federal Mortgage Bank of Nigeria Residential Mortgage Bond matured in April and July.

The 'Term-To-Maturity' (TTM) profile of investments in FGN Bonds as at 31/12/2017, is shown in the table below:

Table 3.11: Term to Maturity Profile of FGN Bonds as at 31 December, 2017

S/N	Term to Maturity	Amount (N'Bn)	% of Total Value of FGN Securities
1	FGN Bonds		
	Below 3years	463.60	15%
	3years – 10years	1,145.64	37%
	Above 10years	1,449.44	47%
	Total	3,058.68	100%

As noted from Table 3.11, pension fund investments were in largely in bonds with TTM above 10 years, which constituted about 47 percent of the portfolio. It is expected that with the adoption of International Financial Reporting Standards (IFRS) by pension funds in 2018, the appetite for longer tenured bonds would increase significantly in view of the relatively young profile of registered contributors.

The yields on FGN Bonds (5-year, 10-year and 20-year bonds) were below the inflation rate for most part of the year with the exception of the period between the months of May and September 2017 when yields were above the inflation rate as shown in Figure 3.3 below.

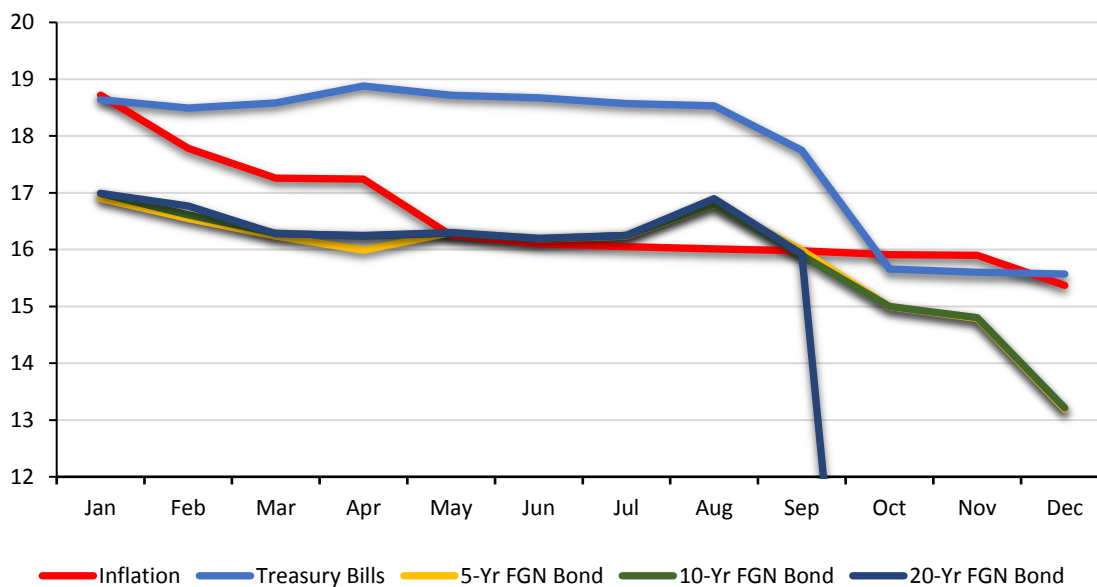


Figure 1.3: Inflation Rate vs Yields on FGN Securities

Yields on Treasury Bills on the other hand maintained levels above inflation rate for the most part of the year with the exception of the months of October and November 2017, when yields trended downwards to 15.66 percent in October from 17.75 percent in September 2017.

The marginal yields on FGN Bonds primary auctions across the various maturity profiles, averaged 16.62 percent in Q1:2017, 16.22 percent in Q2:2017, 16.34 percent in Q3:2017; and 14.33 percent in Q4:2017. As noted above, yields on 364-day Treasury Bills averaged 18.57 percent, 18.76 percent, 18.28 percent and 15.61 percent in the 1st, 2nd, 3rd and 4th Quarters of 2017, respectively.

(iii) State Government Bonds

The value of investments in State Government Bonds was ~~N~~109.22 billion, which accounted for 2 percent of total portfolio value of RSA 'Active' Funds as at 31 December 2017. This figure represented an increase of 11 percent from ~~N~~98.87 billion as at 31 December, 2016. The increase in value was mainly due to investments in new issuance by Lagos State Government (LASG) in 2017. The LASG issued two new bonds under its ~~N~~500 billion Debt Issuance Program, comprising of ~~N~~46.37 billion 16.75 percent bond maturing in August 2024 (7-year bond); and the ~~N~~38.77 billion 17.25 percent bond maturing in August 2027 (10-year bond). This was the 1st issuance of a 10 year bond by a sub-national in Nigeria.

The distribution of pension fund investments in State Government Bonds as at 31 December, 2017 are given in Table 3.12 and Figure 3.4 below:

Table 3.12: Summary of Investments in State Government Bonds as at 31 December 2017

S/N	State Governments	Credit Rating	Maturity Date	Tenor (Years)	Coupon Rate (%)	Market Value of Investment (N'Bn)	Weight (%)
1	Bayelsa State	A	30/06/2019	9	16.50	1.49	1%
2	Delta State	A	30/09/2018	7	14.00	5.18	5%
3	Lagos State (Series I)	A	22/11/2019	7	14.50	11.67	11%
4	Lagos State (Series II)	A	27/11/2020	7	13.75	22.18	20%
5	Lagos State (Series III)	A	30/12/2023	7	16.50	18.13	17%
6	Lagos State (Tranche I)	A	08/11/2024	7	16.75	18.06	17%
7	Lagos State (Tranche II)	A	08/11/2027	10	17.25	22.34	20%
8	Niger State (Series II)	A	26/09/2018	7	14.00	2.44	2%
9	Niger State (Series III)	A	12/12/2018	5	14.00	2.16	2%
10	Osun State	A	12/12/2019	7	14.75	5.56	5%

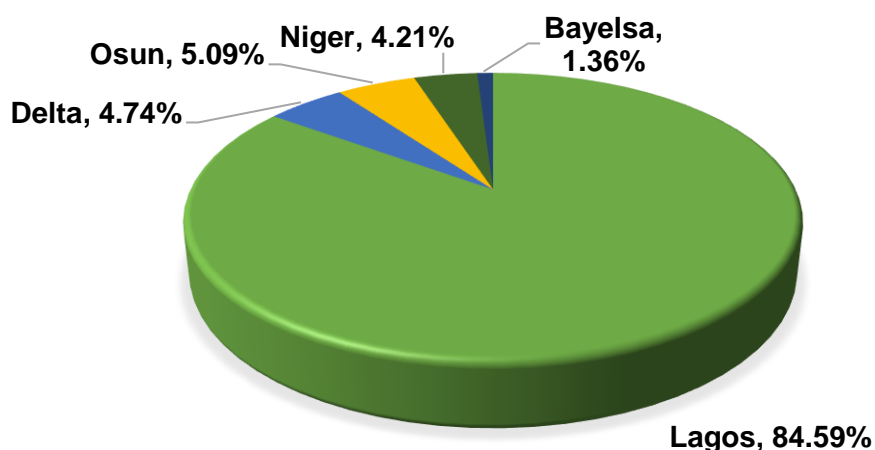


Figure 3.4: The Distribution of RSA 'Active' Fund Investments in State Government Bonds

All investments in State Government Bonds satisfied the investment criteria and limits for pension fund investments.

(iv) Corporate Debt Securities

The investments in Corporate Debt Securities issued by companies was valued at ₦161.39 billion (Corporate Bonds ₦155.49 billion; and Infrastructure Bonds ₦5.90 billion) as at 31 December, 2017, accounting for 3 percent of total portfolio value. This represented an increase of ₦31.13 billion (17 percent) over the value of investments of ₦138.26 billion as at 31 December 2016. The growth was primarily due to new investments in bonds issued by corporates in 2017.

There were 3 new Corporate Bonds and 1 Infrastructure Bond issued during the year namely: Dufil Prima Foods Plc (5-year Bond issued at coupon rate of 18.25

percent p.a.); LAPO Micro Finance Bank SPV (5yr-Bond at 17.75 percent p.a.); Lagos State Waste Management SPV (5yr, 18 percent p.a.); and Viathan Funding Plc (10yr, 16.00 percent p.a.). The 10-year tenor and relative low coupon rate on the Viathan Infrastructure Bond, was facilitated by credit enhancement provided by the recently established Infrastructure Credit Guarantee Company (InfraCredit) Plc. Also, two corporate bonds issued by C&I Leasing Company Plc and UBA Plc matured in 2017 and were fully redeemed.

The distribution of pension fund investments in the various Corporate Bonds as at 31 December, 2017 is given in Table 3.13 below:

Table 3.13: Summary of RSA 'Active' Fund Investments in Corporate Debt Securities as at 31 December 2017

S/N	Name of Issuer	Maturity Date	Tenor (years)	Coupon (%)	Total RSA 'Active' Investment (N' Million)	Weight (%)
1	Dana Group Plc	09/04/2020	7	17	29.67	0%
2	Dufil Prima Foods Plc	01/09/2022	5	18	5,094.90	3%
3	FCMB SPV	16/11/2021	7	14.25	13,045.14	8%
4	FCMB (Series 2)	11/06/2020	5	15	17,587.75	11%
5	Fidelity Bank Plc	13/05/2022	7	16.48	15,473.26	10%
6	Fidson	07/11/2019	5	15.5	51.17	0%
7	Forte Oil Plc	2/12/2021	5	17.5	4,453.08	3%
8	La Casera Company Plc	18/10/2018	5	15.25	169.92	0%
9	Lafarge Africa Plc	15/06/2019	3	14.25	16,308.99	10%
10	Lafarge Africa Plc	15/06/2021	5	14.75	21,152.02	13%
11	Lagos State Waste Management SPV	5/9/2022	5	18	9,813.15	6%
12	LAPO Microfinance Bank SPV	1/12/2022	5	17.75	603.79	0%
13	Mixta Real Estate Plc	28/12/2021	5	17	1,563.46	1%
14	Nigerian Aviation Handling Company Plc	12/05/2020	7	15.25	364.45	0%
15	Stanbic IBTC	30/09/2024	10	13.25	7,546.65	5%
16	Sterling Bank SPV	3/08/2023	7	16.5	3,429.96	2%
17	Tower Funding Plc	09/09/2018	7	MPR+7/MPR+5	202.31	0%
18	Transcorp	26/10/2022	7	15.5	2,062.55	1%
19	Transcorp	4/12/2020	5	16	3,238.65	2%
20	UBA Plc (Series 2)	20/09/2018	7	14	14,631.66	9%
21	UBA Plc	30/12/2021	7	16.45	13,065.58	8%
22	Viathan	13/12/2027	10	16	5,895.86	4%
23	Wema Bank Plc	23/09/2023	7	18.5	4,542.14	3%
24	Diamond Bank (Eurobond)	21/05/2019	5	8.75	1,600.35	1%
	Total				161,926.46	100%

(v) Money Market Instruments

The investments in money market instruments were valued at ~~N~~475.98 billion, which represented 9 percent of RSA 'Active' Fund value as at 31 December, 2017 as shown in Table 3.14 below. This was an increase of ~~N~~196.30 billion (70 percent), compared to the value of ~~N~~280.12 billion as at 31 December, 2016. PFAs had significantly increased investments in money market securities due to attractive placement rates. The average rates on placements across all tenors during 2017 were 18.25 percent p.a. in the 1st quarter; 18.86 percent p.a. in the 2nd quarter; 19.50% p.a. in the 3rd quarter; and 19.54 percent in the 4th quarter, 2017.

Table 3.14: Breakdown of RSA 'Active' Fund Investments in Money Market Instruments as at 31 December, 2017

S/N	Money Market Instruments	Amount N'Billion
1	Bank Placements	408.51
2	Commercial Paper	67.47
	Total	475.98

(vi) Open / Close – ended / Hybrid Funds (including Exchange Traded Funds & Real Estate Investment Trusts)

The investments in Open/Close-ended/Hybrid Funds were valued at ~~N~~14.58 billion as at 31 December, 2017, representing less than 1 percent of total value of RSA 'Active' Fund. This was made up of investments in Collective Investment Schemes and Real Estate Investment Trusts (REITs) with ~~N~~5.20 billion and ~~N~~9.38 billion respectively. The major investments were in the UAC Property Development Company REITs, valued at ~~N~~7.07 billion (49 percent of total mutual fund investments); Union Homes Plc REITs with ~~N~~2.34 billion (16 percent); SIM Capital Fund with ~~N~~1.75 billion (12 percent); and ARM Discovery Fund with ~~N~~685 million (5 percent). All investments were within approved investment limits and satisfied the minimum quality requirements as stipulated in the Investment Regulation.

(vii) Supranational Bonds

Investments in Supranational Bonds were valued at ~~N~~6.10 billion as at 31 December, 2017, representing less than 1 percent of total value of the RSA 'Active' Fund. The investments were in the International Finance Corporation (IFC) 10.20 percent Fixed Rate Senior Unsecured Note (maturing in 2018) and the African Development Bank ~~N~~160 billion Medium-Term Note maturing in 2020. Both bonds had a credit rating of 'AAA' and satisfied the minimum investment criteria for pension funds.

(viii) Private Equity (PE) Fund

As at 31 December, 2017, the value of investments in Private Equity (PE) Funds was ~~N~~14.16 billion, which was an increase of ~~N~~8.69 billion over the value of ~~N~~5.47

billion as at 31 December, 2016. The growth in value resulted from a combination of cash calls by the fund managers as well as increase in the fair value of investments.

(ix) Infrastructure Fund

The investment in Infrastructure Fund was valued at ~~N~~3.96 billion as at 31 December, 2017, representing an increase of ~~N~~2.92 billion over the figure of ~~N~~1.04 billion as at 31 December, 2016. This was due to new investments in the Nigeria Infrastructure Debt Fund (NIDF) launched in February 2017. The NIDF is the first listed infrastructure debt fund in the Nigerian capital market. Other pension fund investments were in the ARM Harith Fund.

(x) Un-invested Cash

The un-invested cash balance was ~~N~~19.82 billion as at 31 December, 2017. This represented newly unitized pension contributions awaiting deployment into the approved asset classes as well as matured investments awaiting re-investment, as at the end of the reporting date. The applicable call rates on un-invested cash balances ranged between 4 percent p.a. and 7 percent p.a.

3.7 Analysis of RSA Retiree Funds

The NAV of the RSA 'Retiree' Funds totalled ~~N~~563.03 billion as at 31 December, 2017, representing a growth of 25 percent over the value of ~~N~~451.96 billion as at 31 December, 2016 as shown in Table 3.15. The investments were spread across six approved asset classes, but were mainly invested in Federal Government Securities (74 percent); Money Market Instruments (14 percent) and Corporate Debt Securities (6 percent).

Table 3.15: Portfolio of RSA 'Retiree' Fund as at 31 December 2017

ASSET CLASS	Portfolio Limit (%)	2017		2016		Variance	
		N Billion	Weight%	N Billion	Weight %	N Billion	%
Quoted Equities	10	4.27	0.76	2.10	0.46	2.17	103.33
Federal Government Securities	80						
(i) FGN Bonds		320.31	56.76	301.48	66.71	18.83	6.25
(ii) Treasury Bills		97.62	17.30	47.47	10.50	50.15	105.65
(iii) Agency Bonds		0.39	0.07	5.33	1.18	(4.94)	(92.68)
(iv) Sukuk		1.51	0.27	0.00	0.00	1.51	
State Government Bonds	20	15.46	2.74	17.90	3.96	(2.44)	(13.63)
Corporate Debt Securities	35						
(i) Corporate Bonds		36.22	6.42	36.45	8.06	(0.23)	(0.63)
(ii) Infrastructure Bonds		0.30	0.05			0.30	
Supranational Bonds	20	3.07	0.54	3.51	0.78	(0.44)	(12.54)
Money Market Instruments	35						
(i) Bank Placements		70.26	12.45	33.70	7.46	36.56	108.49
(ii) Commercial Papers		8.85	1.57	0.44	0.10	8.41	
Cash & Other Assets		4.78	1.07	3.58	0.79	2.48	69.27
Net Asset Value		563.03	100.00	451.96	100.00	111.07	24.58

3.7.1 Sources of Portfolio Growth/Diminution

The RSA Retiree Funds had a net growth of ₦111.07 billion in 2017; and the sources of the net portfolio growth are shown in Table 3.16 below.

Table 3.16: Sources of Growth for the RSA ‘Retiree’ Fund in 2017

S/N	Sources of Portfolio Growth	2017 (₦'Billion)	2016 (₦'Billion)	Variance (₦'Billion)
1	New Inflow of Funds • Transfers of Retirees' RSA 'Active' Balances/Accrued Rights	323.03	187.21	135.82
2	Investment Income			
	• Interests/Coupons	86.39	55.01	31.38
	• Dividends	0.25	0.23	0.02
	• Net Realized Gains on Equities & Bonds	0.92	1.06	-0.14
	• Net Unrealized Gains/Losses on Equities / Equity Funds	1.43	-0.14	1.57
3	Retirement Benefits Paid	-292.81	-208.01	84.8
4	Income Based Fees (+ VAT)	-8.14	-4.42	3.72
	Total	111.07	30.94	80.13

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

The transfers from the RSA ‘Active’ Fund and accrued rights amounted to ₦323.03 billion in 2017, an increase from ₦187.21 billion received in 2016. The increase in amount was mainly due to the higher number of retirees in 2017, which totaled 43,949 relative to 29,395 in 2016.

(ii) Investment Income

The interests and coupons earned on investments in fixed income securities totaled ₦86.39 billion, representing a 57 percent growth over the income of ₦55.01 billion received in 2016. The higher interest income in 2017 resulted from the slightly higher interest rates, especially on investments in treasury bills and money market instruments; and increase in the absolute value of investments.

(ii) Net Realized Gains on Equities and Bonds

The net realized gains on the disposal of equities and bonds for profit taking reasons amounted to ₦920 million. The realized gains on bonds and equities were slightly lower than the ₦1.06 billion recorded in 2016.

(iv) Net Unrealized Gains on Equity Investments

The net unrealized gains on equity investments amounted to ₦1.43 billion compared to unrealized losses of ₦136 million in 2016. The high unrealized gains in 2017 relative to 2016 was due to better performance of the Stock Market in 2017 as the Nigerian Stock Exchange All Share Index (NSE-ASI) appreciated by 42 percent compared to 6.17 percent in 2016. The net unrealized gains were mostly

from investments in the banking sub-sector, specifically, Zenith Bank Plc, GTB Plc, UBA Plc and Stanbic IBTC Bank Plc. Other major investments were in the stocks of Seplat Oil Plc, Dangote Cement Plc, Nestle Plc, WAPCO Plc and 7-Up Bottling Plc.

(v) Retirement Benefits Payments

A total of ~~N~~292.81 billion was paid out as retirement benefits during the year compared to the sum of ~~N~~208.01 billion in 2016. As noted earlier, the increase in the amount of benefits paid in 2017 was higher due to the higher number of retirees.

(iv) Fees and Taxes

The total income based fees (inclusive of 5 percent VAT) charged to the Retiree Fund and paid to pension operators was ~~N~~6.79 billion, which accounted for 7.86 percent of total investment income of ~~N~~86.39 billion in 2017. The slight excess of 0.36 percent over the maximum rate of 7.50 percent stipulated in the Regulation on Fees Structure, represented the 5 percent VAT charges on fees payable to the PFAs and PFCs. Other miscellaneous charges such as audit fees amounted to ~~N~~56.71 million.

3.7.2 Portfolio Performance

The RSA Retiree Fund recorded a weighted average rate of return (WARR) of 15.39 percent in 2017, which was higher than the rate of return of 12.76 percent recorded in 2016. The higher performance in 2017 was largely due to increase in yields on fixed income securities, which averaged 16.98 percent p.a, as against 13.63 percent p.a recorded in 2016.

3.7.3 Review of Asset Classes

(i) Domestic Ordinary Shares

The value of quoted ordinary shares was ~~N~~4.27 billion, accounting for less than 1 percent of total portfolio value as at 31 December, 2017. However, this was an increase of ~~N~~2.17 billion from the value of ~~N~~2.10 billion as at 31 December, 2016. Ordinary share investment in the financial services sub sector accounted for 68 percent of equity investments, up from 58 percent in 2016. Other significant investments were in the following sub sectors: consumer goods (15 percent); industrial goods (7 percent); and oil & gas (5 percent);

(ii) Federal Government of Nigeria (FGN) Securities

Investments in Federal Government Securities (bonds and treasury bills) were valued at ~~N~~419.83 billion and accounted for 74 percent of total RSA Retiree Funds as at 31 December, 2017, compared to ~~N~~306.82 billion as at 31 December, 2016. Table 3.17 below shows the breakdown of investments in FGN Bonds in the RSA Retiree Fund:

Table 3.17: Breakdown of investments in FGN Bonds as at 31 December, 2017

S/N	Securities	Amount (N'Billion)
1	FGN Bonds	320.31
2	FGN Agency Bonds	0.39
3	FGN Sukuk	1.51
	Total	322.21

The Term to Maturity (TTM) profile of investments in FGN Bonds as at 31 December, 2017 is provided in Table 3.18 below:

Table 3.18: Term to Maturity profile of FGN Bonds as at 31 December 2017

S/N	Term to Maturity	Amount (N'Billion)	% of Total FGN Bonds
1	Below 3years	44.54	13.91
2	3years – 5years	52.23	16.31
3	Above 5years – 10yrs	71.67	22.29
4	Above 10years	151.71	47.39
	Total	320.15	100.00

As shown in Table 3.18 above, investments were skewed towards longer tenured bonds with TTM above 5 years accounting for 70% of total FGN bonds.

(iii) State Government Bonds

The value of investments in State Government Bonds was ₦15.46 billion as at 31 December 2017. This was a reduction of ₦ 2.44 billion (13 percent) compared to the value of ₦17.90 billion in 2016. The reduced value was partly as a result of the maturity and full redemption of the 10 percent Lagos State Series II Bond.

The distribution of investments in the various State Government Bonds is presented in the table below:

Table 3.19: Summary of Investments in State Government Bonds as at 31 December 2017

S/N	Name of State	Credit Rating	Maturity Date	Tenor (Years)	Coupon Rate (%)	Market Value of Investment (N'Billion)	Weight (%)
1	Bayelsa State	A	30/06/2019	9	16.50	0.21	1
2	Delta State	A	30/09/2018	7	14.00	0.71	5
3	Lagos State (Series I)	A	22/11/2019	7	14.50	1.92	12
4	Lagos State (Series II)	A	27/11/2020	7	13.75	4.49	29
5	Lagos State (Series III)	A	30/12/2023	7	16.50	1.12	7
6	Lagos State	A	08/04/2027	10	16.75	3.22	21
7	Niger State (Series II)	A	26/09/2018	7	14.00	0.34	2
8	Niger State (Series III)	A	12/12/2018	5	14.00	1.52	10
9	Osun State	A	12/12/2019	7	14.75	1.91	12
	Total					15.44	100

PFA's investment in the bonds issued by Lagos State was the highest, with the market value of ₦10.72 billion (69 percent of State Government Bonds) as shown in Table 3.19 above. Other significant investments were in bonds issued by Osun State, ₦1.91 billion (12 percent); Niger State, ₦1.86 billion (12 percent); and Delta State, ₦710 million (5 percent). All investments were within the maximum investment limits and complied with the minimum quality requirements stipulated in the Regulation issued by the Commission.

(iv) Corporate Debt Securities

The investments in Corporate Debt Securities were valued at ₦36.52 billion, equivalent to 6 percent of total portfolio value as at 31 December, 2017. The distribution of pension fund investments in the various corporate bonds as at 31 December, 2017 is given in Table 3.20 below:

Table 3.20: Summary of RSA 'Retiree' Fund Investments in Corporate Debt Securities as at 31 December 2017

S/N	Name of Issuer	Maturity Date	Tenor (years)	Coupon (%)	Total RSA 'Retiree' Investment (N' Million)	Weight %
1	Dana Group Plc	09/04/2019	5	16.00	29.67	0.08
2	Dufil Prima Foods	01/09/2022	5	18.25	530.75	1.47
3	FCMB SPV	16/11/2021	7	14.25	5,062.68	13.98
4	FCMB (Series 2)	11/06/2020	5	15.00	3,728.59	10.30
5	Fidelity Bank Plc	13/05/2022	7	16.48	4,288.17	11.84
6	Forte Oil Plc	2/12/2021	5	17.50	210.49	0.58
7	La Casera Company Plc	18/10/2018	5	15.25	122.47	0.34
8	Lafarge Africa Plc	15/06/2019	3	14.25	4,185.72	11.56
9	Lafarge Africa Plc	15/06/2021	5	14.75	6,443.92	17.79
10	LAPO Microfinance Bank	19/12/2022	5	17.75	201.27	0.56
11	Mixta Real Estate Ltd	16/01/2022	5	17.00	107.82	0.30
12	Lagos State Municipal Waste Mgt. SPV	05/09/2022	5	18.00	740.74	2.05
13	Nigerian Aviation Handling Company Plc	12/05/2020	7	15.25	74.39	0.21
14	Stanbic IBTC	30/09/2024	10	13.25	734	2.03
15	Sterling Bank SPV	3/08/2023	7	16.5	1,495.73	4.13
16	Tower Funding Plc	09/09/2018	7	MPR+7/MPR+5	3.17	0.01
17	Transcorp	26/10/2022	7	16.00	1,101.69	3.04
18	Transcorp	4/12/2020	5	15.50	919.05	2.54
19	UBA Plc (Series 2)	20/09/2018	7	14.00	3,782.72	10.44
20	UBA Plc	30/12/2021	7	16.45	2,380.00	6.57
21	Viathan SPV	13/12/2027	10	16.00	302.37	0.83
22	Diamond Bank (Eurobond)	21/05/2019	5	8.75	73.16	0.20
	Total				36,518.55	100

There were new corporate bond issues in 2017 by Dufil Prima Foods, Lagos State Municipality Waste Management SPV and LAPO Microfinance Bank. Similarly, Viathan Funding Plc, a Special Purpose Vehicle created by Viathan Engineering Limited issued a 10-year ₦10 billion Infrastructure Bond at a coupon of 16 percent p.a. Total investments in the bond was ₦302 million as at 31 December, 2017.

The major investments were in bonds issued by Lafarge Africa Plc (29 percent of total investments in corporate bonds); FCMB (24 percent); and UBA Plc (17

percent). The investments were within approved limits and satisfied the quality requirements as stipulated in the Investment Regulation.

iv. Money Market Securities

The investments in money market instruments were valued at ~~N~~79.11 billion as at 31/12/2017, compared to the value of ~~N~~34.14 billion as at 31/12/2016. The breakdown of investments in money market instruments is provided in Table 3.21 below.

Table 3.21: Breakdown of RSA ‘Retiree’ Fund Investments in Money Market Instruments as at 31 December, 2017

S/N	Money Market Instruments	Amount N'Billion
1	Bank Placements	70.26
2	Commercial Paper	8.85
	Total	79.11

The money market investments were mainly in term placements with four banks and commercial papers of five corporate entities. All investments were largely within approved limits and satisfied the minimum quality requirements, as stipulated in the Investment Regulation.

v. Supranational Bonds

The investments in Supranational Bonds were valued at ~~N~~3.07 billion as at 31 December, 2017. The investments were in the AAA-rated bonds issued by the African Development Bank, which satisfied the quality requirements stipulated in the Investment Regulation.

vi. Cash & other Assets

The un-invested cash balance was ~~N~~4.78 billion as at 31 December, 2017. The balances were in respect of matured tenured placements awaiting re-investment and transfers from RSA ‘Active’ Fund awaiting deployment as at 31 December 2017.

3.8 Review of Closed Pension Fund Administrators (CPFAs) Fund

The NAV of pension fund assets of the CPFA Funds increased by 16 percent from ~~N~~871.00 billion on 31 December 2016, to ~~N~~1.01 trillion as at 31 December, 2017. The increase resulted from investment incomes and fresh funds injected by Scheme Sponsors to bridge funding gaps. The portfolios of most of the CPFA Funds were valued using IFRS, as assets were marked-to-market in terms of their valuation. The pension assets of Shell CPFA accounted for over 50 percent of the CPFA Funds, while Total CPFA and Chevron accounted for 20 percent and 12 percent, respectively. The investments of the seven CPFA Funds were spread across 10 approved asset classes, with a concentration in government securities;

quoted ordinary shares (domestic: 6percent; foreign: 10 percent); real estate properties (11 percent); and domestic money market instruments (6 percent). The portfolio of the CPFA Funds for the year ended 31 December 2017 is presented in Table 3.22.

Table 3.22: Portfolio of CPFA Funds as at 31 December 2017

Asset Class	31-Dec-17		31-Dec-16		Variance	
	N' Billion	Weight (%)	N' Billion	Weight (%)	N' Billion	%
Domestic Ordinary Shares	65.06	6.45	64.35	7.39	0.71	1.10
Foreign Ordinary Shares	104.61	10.37	84.19	9.67	20.42	24.25
FGN and Agency Bonds	362.20	35.90	333.28	38.26	28.92	8.68
Treasury Bills	174.37	17.28	109.49	12.57	64.88	59.26
State Govt. Bonds	15.8	1.57	12.56	1.44	3.24	25.82
Corporate Debt Securities	42.84	4.25	46.54	5.34	(3.70)	(7.94)
Supranational Bonds	2.26	0.22	2.51	0.29	(0.25)	(9.92)
Local Money Market Instruments	63.09	6.25	33.45	3.84	29.64	88.61
Foreign Money Market Instruments	35.39	3.51	4.65	0.53	30.74	661.08
Open/Close-End Funds	8.53	0.85	2.99	0.34	5.54	185.28
Real Estate Property	111.37	11.04	129.72	14.89	(18.35)	(14.15)
Private Equity	11.28	1.12	13.54	1.55	(2.26)	(16.69)
Infrastructure Funds	1.76	0.17	1.02	0.12	0.74	0.00
Cash & Other Assets	10.29	1.02	32.71	3.76	(22.42)	(68.54)
Net Asset Value	1,008.86	100.00	871.00	100.00	137.85	15.83

3.8.1 Sources of Portfolio Growth

The breakdown of the net growth of N137.85 in 2017 and corresponding figures in 2016 is presented in Table 3.23 below:

Table 3.23: Sources of Portfolio Growth for the CPFA Funds in 2017

Sources of Growth	2017 N' Billion	2016 N' Billion	Variance btw 2017 & 2016 N' Billion
New Inflow of Funds			
New Contributions/Funds Injected by the Scheme Sponsors	59.29	56.63	2.66
Investment Income			
• Interest/Coupon Income	84.96	60.32	24.64
• Dividend Income	4.12	4.33	(0.21)
• Rental Income	5.13	7.66	(2.53)
• Net Realized Gains/(losses)	1.19	9.66	(8.47)
• Net Unrealized Gains/(Losses)	62.97	(20.46)	83.43
Other Income - Foreign Exchange Gains	1.60	58.30	(56.70)
Payment of Retirement Benefits	(71.45)	(55.66)	(15.79)
Asset Based Fees	(4.04)	(4.15)	0.11
Other Charges & Expenses	(5.92)	(0.72)	(5.20)
Total	137.85	115.91	21.94

(i) Contributions Received/Funds Injected by Sponsors

In 2017, the new funds injected into the Funds by Scheme Sponsors and new contributions made by members in Defined Contribution (DC) Schemes amounted to ~~N~~59.29 billion, slightly higher than the amount of ~~N~~56.63 billion in 2016.

(ii) Investment Incomes (Interests/Coupons)

The total Interests/Coupons received for the year amounted to ~~N~~80.36 billion, representing an increase of ~~N~~20.04 billion (33 percent) over the interest income of ~~N~~60.32 billion recorded in 2016. This resulted primarily from the increase in the absolute values of fixed income investments, impressive deposit rates on money market investments for most part of year 2017 as well as increased yields on FGN Securities.

(iii) Rental Incomes

Rental income on real estate properties amounted to ~~N~~5.13 billion, mainly from real estate properties of 2 CPFAs. Following the relative stability in the foreign exchange market, there was a significant reduction in foreign exchange gains on rental income. The valuation of the real estate resulted in a revaluation deficit of ~~N~~4.60 billion, a significant departure from the revaluation surplus of ~~N~~3.10 billion recorded in 2016.

(iv) Net Unrealized Gains/ (Losses) on Equities/Equity Funds & Bonds

The CPFA Funds recorded net unrealized gains of ~~N~~62.97 billion on investments in bonds and equity/equity funds, compared to the net unrealized losses of ~~N~~20.46 billion in 2016. Investments in FGN Bonds recorded unrealized gains of ~~N~~21.86 billion, following the drop in yields at the end of Q2:2017. Unrealized gains on equities and equity funds amounted to ~~N~~43.58 billion as at 31 December, 2017.

(v) Net Realized Gains/(Losses)

The CPFA Funds recorded ~~N~~1.19 billion as net realized gains, comprising of realized gains on disposal of FGN Bonds (~~N~~2.49 billion) and Open/Close-end Funds (~~N~~50.12 million) as well as realized losses on disposal of equities (~~N~~1.31 billion) and corporate bonds (~~N~~39.32 million).

(vi) Exceptional Income – Foreign Exchange Gains

Currency exchange gains of ~~N~~1.60 billion were recorded on dollar denominated investments and rental incomes in 2017, which was significantly lower than the gains of ~~N~~58.30 billion recorded in 2016, as a result of the devaluation of the Naira in Q1:2016. The bulk of the currency exchange gains was recorded by 1 CPFA, as a result of their substantial dollar denominated investments.

(vii) Asset Based Fees

The total asset based fees paid by the CPFA Funds in 2017 amounted to ~~N~~4.04 billion, which was a 3 percent decrease when compared with total fees of ~~N~~4.15 billion paid in 2016. Average fees charged was 0.70 percent, which was still below the maximum allowable rate of 1.55 percent of NAV.

(vii) Other Charges and Expenses (Including Real Estate Revaluation Deficit)

Other charges and expenses relates to provisions for audit expenses and taxes (VAT & Withholding Taxes), which amounted to ~~N~~1.32 billion for year 2017, and real estate revaluation deficit which amounted to ~~N~~4.59 billion. This was mostly with respect to real estate properties of Shell CPFA.

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. Most CPFA Funds had relatively high exposure to quoted equities, equity funds and real estate properties, in line with the demographic distribution of their members. The Fund performance ranged from 13 percent to 20 percent in contrast to year 2016, in which returns were between 8 percent and 19 percent.

A comparison of the performance of the CPFA Funds to the average inflation rate of 16.55 percent recorded in 2017 (Figure 3.5), showed that majority of the CPFAs were able to report real returns on investment although low.

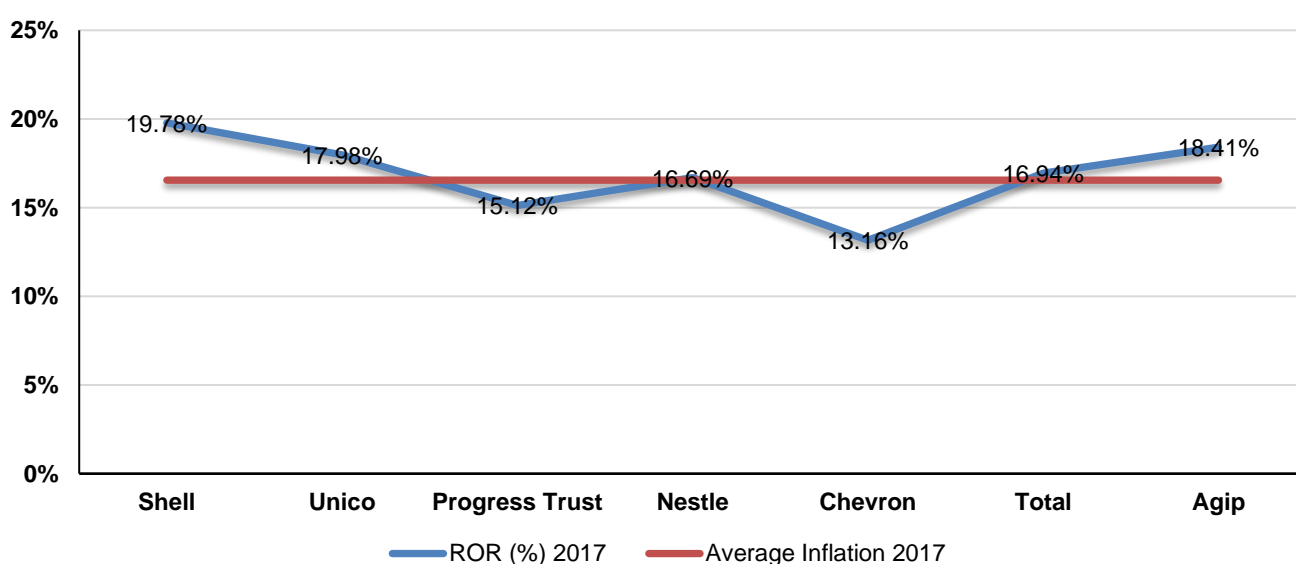


Figure 3.5: CPFA Funds - Annual Rate of Return vs. Average Inflation Rate – 2017

3.8.3 Portfolio Analysis

(i) Domestic and Foreign Ordinary Shares

Investments in ordinary shares (domestic and foreign) by CPFA Funds were valued at ₦169.66 billion as at 31 December 2017, accounting for 17 percent of CPFAs' total portfolio value. This represented an increase in value, when compared with holdings as at 31 December 2016, which was valued at ₦148.54 billion. The overall increase in value was mainly attributed to valuation gains on both domestic and foreign currency denominated ordinary share investments.

Table 3.24: CPFA Investment in Ordinary Shares as at 31 December 2017

Asset Class	N'Billion
Domestic Ordinary Shares	65.06
Foreign Ordinary Shares	104.6
Total	169.66

(ii) Domestic Equities

The value of the domestic ordinary shares portfolio grew by 1 percent (₦0.71 billion), from ₦64.35 billion in December 2016 to ₦65.06 billion in December 2017. Investments in the consumer goods and financial services sub-sectors, accounted for 52 percent and 30 percent, respectively, of domestic equity investments; with investments spread across other sub-sectors as follows: industrial goods (12 percent); oil & gas (2 percent); agriculture (1 percent); construction and real estate (less than 1 percent).

(iii) Foreign Equities

The value of foreign equity investments grew by ₦20.42 billion (24 percent), increasing from ₦84.19 billion as at 31 December, 2016 to ₦104.61 billion as at 31 December, 2017, mainly due to currency exchange gains.

(iv) Federal Government of Nigeria (FGN) Securities

Investments in Federal Government Securities were valued at ₦536.58 billion as at 31 December 2017 and accounted for 53 percent of the total portfolio value of the CPFA Funds. The breakdown of CPFA investments in FGN securities is presented in Table 3.25 below.

Table 3.25: CPFA Funds' Investments in FGN Securities

S/N	Asset Class	N'Billion
1	FGN Bonds	361.82
2	Treasury Bills	174.37
3	Agency Bonds	0.28
4	Sukuk	0.10
	Total	536.58

The details of the 'Term to Maturity' profile of CPFAs' investments in FGN Bonds as at 31 December 2017 is presented in Table 3.25.

Table 3.26: Maturity Profile of FGN Bonds held by CPFA Funds

S/N	Tenor	Market Value (N Billion)	Weight (%)
1	0 - 3yrs	90,870.36	25%
2	3yrs - 5yrs.	111,614.29	31%
3	Above 10yrs.	159,330.36	44%
	Total	361,815.02	100%

The maturity profile of FGN Bonds as indicated in Table 3.26 showed a fair balance in the concentration of investments in the short to mid-end of the market and long end of the market. This was a change compared to the previous year, when investments in FGN Bonds were skewed towards the short end of the market, and was attributed to considerable investments by the CPFA Funds in the FGN Eurobond with a tenor of 15 years.

Investments of the CPFA Funds in Treasury Bills amounted to N174.37 billion, with an average yield of 14.81 percent p.a., as at 31 December, 2017. Investments in FGN Agency Bonds were valued at N284.97 million, representing holdings in the Nigeria Mortgage Refinance Company Plc N140 billion Medium Term Note Program, following the maturity of the 17.25 percent FMBN Mortgage Backed Note during the year.

As at 31 December 2017, investments by CPFA Funds in the N100 billion FGN Sukuk were valued at N104.38 million, while there were no investments in the N10.69 billion 5-Year FGN Green Bond.

(v) State Government Securities

Investments in State Government Bonds were valued at N15.80 billion as at 31 December 2017, representing an increase of N3.24 billion (26 percent), when compared to the value of investments of N12.56 billion as at 31 December 2016. The increase resulted from increased investments in the 16.5 percent Lagos State Series 1 Bond, maturing in 2023.

Details of CPFAs' investment in State Government Bonds as at 31 December 2017 are provided in Table 3.27 below:

Table 3.27: CPFA Fund's Investment in State Government Bonds

State Governments	Credit Rating	Coupon Rate (%)	Term to Maturity (Years)	Maturity Date	Market Value of Investment (N'Million)	Weight (%)
Bayelsa State	A	13.75%	1.5	30-Jun-19	184.94	1%
Delta State	A	14.00%	0.7	30-Sep-18	321.98	2%
Lagos State (Series I)	A	14.50%	1.9	22-Nov-19	4,351.07	28%
Lagos State (Series I)	A	16.50%	7.0	30-Dec-24	2,357.36	15%
Lagos State (Series II)	A	13.50%	2.9	27-Nov-20	877.92	6%
Lagos State (Series II)	A	16.50%	6.0	30-Dec-23	7,709.79	49%
Total					15,803.07	100%

The Lagos State Government Bond (Series I and II) accounted for the largest holding of State Government Bonds by CPFA Funds, as it accounted for 97 percent of total value of State Government Bonds.

All investments were within approved limits stipulated in the Internal Investment Guidelines of the various Funds.

(vi) Corporate Debt Securities

The investments in Corporate Debt Securities were valued at ~~N~~42.84 billion (4 percent of the CPFA's total fund value), as at 31 December, 2017, compared to ~~N~~46.54 billion (5 percent), as at 31 December, 2016. The decrease in value was as a result of accrued coupon payments made as at the reporting date.

There were some investments in dollar denominated instruments issued by foreign counterparties (Barclays Bank and Credit Suisse), valued at ~~N~~33.33 billion, which accounted for 78 percent of corporate debt portfolio as at 31 December 2017. Investments in domestic counterparties were concentrated in the Stanbic IBTC Bank Plc Structured Note Programme (~~N~~3.13 billion), the Lafarge Africa Plc Debt Issuance Programme (~~N~~2.46 billion) and the UBA Plc Series 1 Medium Term Debt Issuance Programme (~~N~~1.51 billion).

(vii) Domestic Money Market Securities

Investments in domestic money market instruments were valued at ~~N~~63.09 billion as at 31 December, 2017, representing an increase of over 80 percent in the value of investments, when compared with holdings in this asset class as at 31 December, 2016. The increase in the value of investments was attributed to increased investments as a result of the impressive deposit rates recorded in 2017. Term deposits valued at ~~N~~59.55 billion, accounted for 94 percent of total investments in domestic money market instruments, while investments in Commercial Papers valued at ~~N~~3.54 billion accounted for 4 percent of domestic money market investments.

The money market investments, which all met the minimum quality requirements for pension funds, were concentrated in three banks (Access Bank Plc, FSDH Merchant Bank, and Coronation Merchant Bank), accounting for 68 percent of the total domestic money market investments of the CPFA Funds as at 31 December, 2017.

Bank deposit rates were impressive in the first half of the year but trended downwards from Q3:2017, as yields on fixed income instruments reacted to the improvement in the macroeconomic environment.

(viii) Foreign Money Market Securities

Foreign currency money market investments were valued at ₦35.39 billion, accounting for 4 percent of the total value of CPFA Funds, which was a major increase, compared to the value of investments of ₦4.65 billion, as at 31 December 2016. All the foreign currency money market investments were in domiciliary accounts in Nigerian Banks.

(ix) Supranational Bonds

The total investment in Supranational Bonds, was valued at ₦2.26 billion as at 31 December, 2017, representing less than 1 percent of total CPFA Funds. These investments were in the African Development Bank (AfDB)-Naira denominated Bond and International Finance Corporation (IFC) “Naija” Bond, which had “AAA” ratings and satisfied other stipulated quality requirements for pension fund investments.

(x) Real Estate Properties

Real Estate Properties were valued at ₦111.37 billion, equivalent to 11 percent of total CPFA Funds as at 31 December, 2017, representing a decrease in value of ₦18.35 billion (14 percent) over the value of ₦129.72 billion recorded in December 2016. This was attributed to revaluation deficits on the real estate assets of Shell CPFA.

(xi) Open/Closed End Funds

Investments in Open/Closed-End Funds which were valued at ₦8.53 billion (less than 1 percent of total CPFA Funds), as at 31 December, 2017 reflected an increase in value of ₦5.54 billion over the value of ₦2.99 billion as at 31 December 2016. This was attributed to increased investment in offshore REITs.

(xii) Private Equity (PE) Fund

The value of investments in Private Equity (PE) Funds was ₦11.28 billion as at 31 December, 2017, which was a decrease of ₦2.26 billion (17 percent), over the value of investments of ₦13.54 billion recorded as at 31 December 2016. The decrease in the value of investments in this asset class was a result of recallable

distribution of profits by the Actis PE Funds.

(xiii) Infrastructure Fund

Investments in Infrastructure Funds valued at ₦1.76 billion as at December, 2017 were in the ARM-Harith Fund (ARMHIF) and the Nigeria Infrastructure Debt Fund. Only three CPFA Funds had investments in this asset class.

(xiv) Cash & other Assets

Cash & Other assets were valued at ₦10.29 billion as at 31 December, 2017. This comprised recently matured tenured deposits awaiting re-investment, recently received 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.

3.8.4 Funding Level

A review of the funding levels of the various CPFA funds operating the Defined Benefit Scheme, based on their annual actuarial valuations, revealed that most had funding surpluses. However, the schemes that recorded funding gaps were advised to inject requisite funds in order to rebalance their funding positions.

3.9 Review of Approved Existing Scheme (AESs) Fund

The Net Assets value of Approved Existing Schemes (AES) increased from ₦694.70 billion on 31 December, 2016 to ₦828.15 billion as at 31 December 2017. This indicated a net growth of ₦133.45 billion (19 percent), compared to a net growth of ₦22.89 billion in 2016. The net increase in the value of assets was primarily attributed to new contributions; funds injected by scheme sponsors and interest/coupon incomes.

A summary of the actual assets allocation of the AES Funds for the year ended 31 December 2017 as well as comparative figures for 2016 is provided in Table 3.28 below.

Table 3.28: Comparative Summary of AES Funds for 2016 and 2017

S/N	Asset Class	31-Dec-17		31-Dec-16		Variance	
		N'Billion	Weight %	N'Billion	Weight %	N'Billion	Weight %
1	Ordinary Shares	93.01	11.23	92.92	13.38	0.09	0.10
2	FGN Securities	536.64	64.80	409.20	58.90	127.43	31.14
3	State Govt. Securities	11.92	1.44	18.57	2.67	(6.65)	(35.81)
4	Corporate Debt Securities	27.37	3.31	27.98	4.03	(0.61)	(2.17)
5	Supra-National Bonds	-	0.00	0.01	0.00	(0.01)	(100.00)
6	Money Market Instruments	63.17	7.63	49.02	7.0	14.15	28.87
7	Open/Close-End Funds	1.87	0.23	2.06	0.30	(0.19)	(9.22)
8	Real Estate Properties	93.96	11.35	89.76	12.92	4.20	4.68
9	Cash & Other Assets	0.21	0.03	5.19	0.75	(4.98)	(95.93)
	Total AES Fund Assets	828.15	100.00	694.70	100.00	133.45	19.21

Assets of the AES Schemes were spread across eight asset classes, as follows: Quoted Ordinary Shares (11 percent); Federal Government Securities (65 percent); State Government Securities (1 percent); Corporate Debt Securities (3 percent); Money Market Instruments (8 percent); Real Estate Properties (11 percent) while Open/Closed End Funds accounted for less than 1 percent of total portfolio value. 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~~133.45 billion, as Net Assets Value (NAV) of the Fund increased from N694.70 billion on 31 December 2016 to ~~N~~828.15 billion as at 31 December 2017. The breakdown of the net growth are as follows:

Table 3.29: Sources of Portfolio Growth for the AES Funds in 2017

Sources of Growth	2017	2016	Variance	
	N'Billion	N'Billion	N'Billion	%
New Inflow of Funds				
New Contributions/Funds Injected by the Scheme Sponsors	54.67	39.21	15.46	39.43
Investment Income				
• Interest/Coupon Income	81.25	59.26	21.99	37.11
• Dividend Income	4.74	5.62	(0.88)	(15.57)
• Rental Income	0.19	0.36	(0.17)	(45.84)
• Net Realized Gains/(losses)	(3.58)	2.14	(5.72)	(267.46)
• Net Unrealized Gains/(Losses)	52.70	(24.62)	77.32	(314.05)
Revaluation Surplus on Real Estate Properties	1.72	3.28	(1.56)	(47.57)
Payment of Retirement Benefits	(45.92)	(50.83)	4.91	(9.66)
Asset Based Fees/Other Charges	(5.80)	(8.01)	2.21	(27.65)
Transfer to RSA 'Active' Fund	(6.53)	(3.53)	(3.00)	84.94
Total	133.45	22.89	110.56	483.02

(i) Contributions/ Funds injected by Scheme Sponsors/Transfer of Legacy Assets

New fund inflows amounted to ~~N~~54.67 billion and represented pension contributions and funds injected by Scheme Sponsors to bridge funding deficits in some of the Funds.

(ii) Interest/Coupon Income

The major source of portfolio growth during the year was from Interests/Coupons on fixed income investments which amounted to ~~N~~81.25 billion, representing an increase of ~~N~~21.99 billion over the interest income figure of ~~N~~59.26 billion recorded in 2016. The increase in the absolute value of Interests/Coupons was attributed to increased investments by the AES Funds in fixed income securities in 2017,

impressive deposit rates on money market investments, as well as increased yields on FGN Securities.

(iii) Rental Income

Rental income decreased from ~~N~~361.25 million in 2016 to ~~N~~194.99 million in 2017. The reduction was attributed to decrease in occupancy rates in some of the rented properties.

(iv) Revaluation Surplus

There was a revaluation surplus of N1.72 billion on the real estate properties of one of the AES Funds.

(v) Net Unrealized Losses

The AES Schemes recorded net unrealized gains on equity and bond investments, amounting to ~~N~~45.69 billion in 2017, compared to the unrealized losses of ~~N~~24.62 billion recorded in 2016. The unrealized gains recorded was mainly attributed to unrealized gains on equities and equity funds (~~N~~28.11 billion) and on bonds (~~N~~7.34 billion).

(vi) Net Realized Gains/(Losses)

The net realized losses totalled ~~N~~3.58 billion as at 31 December, 2017 compared to the net realized gains of ~~N~~2.14 billion recorded in 2016. The losses, which were mostly incurred in Q1 and Q2: 2017, were mostly on the sale of equities.

(vii) Payments of Retirement Benefits

A total of ~~N~~45.92 billion was paid as retirement benefits in 2017, lower than ~~N~~50.83 billion paid out in 2016.

(viii) Asset/Income Based Fees

The total Asset/Income Based Fees paid was ~~N~~5.27 billion as at 31 December, 2017, while other charges amounting to ~~N~~535.91 million represented statutory charges such as Withholding Tax (WHT) and other charges on investments. The average rate of fees charged was 1.01 percent, as opposed to the maximum allowable rate of 1.55 percent of Net Assets Value.

3.9.2 Portfolio Performance

The Return on Investment (ROI) on the major AES Funds in year 2017 ranged between 16.93 and 29.65 percent and was largely dependent on the exposure of individual funds to variable and fixed income securities.

3.9.3 Review of Asset Classes

(i) Domestic Quoted Equities

Investments in quoted ordinary shares, were valued at ₦93.01 billion as at December 2017, accounting for 11 percent of total AES Funds. This was an increase in value when compared with the ordinary share value of ₦92.92 billion as at 31 December 2016, and was attributed to the performance of both the Nigerian Stock Exchange All Share Index (NSE-ASI) and Market Capitalization, which appreciated by 42.30 percent and 47.17 percent, respectively, in 2017.

Equity investment in the financial services sub-sector was the highest, accounting for 36 percent of total equity investments. Other significant investments were in Consumer Goods (27 percent) and Industrial Goods (12 percent).

The equity investments were within the maximum limits prescribed by the various AES Schemes' Internal Investment Guidelines.

(ii) Federal Government of Nigeria (FGN) Securities

Investments in Federal Government Securities were valued at ₦536.64 billion as at 31 December 2017, representing 65 percent of AES assets under management. The increase in value was attributed to new investments occasioned by the relatively high yields on FGN Securities.

Table 3.30: Investments of AES Funds in FGN Securities

Asset Class	₦'Billion
FGN Bonds	365.85
Treasury Bills	170.79
Total	536.64

Table 3.30 provides the 'Term to Maturity' (TTM) profile of investments in FGN Bonds as at 31 December 2017:

Table 3.31: Maturity Profile of AES Investments in FGN Bonds

S/N	Term to Maturity	Amount (₦ Billion)	Weight (%)
1	Below 3years	52.42	14.33
2	3years – 10years	141.74	38.74
3	Above 10years	171.69	46.93
	Total - FGN Bonds	365,846.32	100.00

(iii) State Government Securities

The value of investments in State Government Bonds as at 31 December, 2017, was ₦11.92 billion, representing a decrease in value of 36 percent; and resulted from the maturity of the Lagos State Series II bonds during the year.

Table 3.32: Investment of AES Funds in State Government Bonds

Name of State	Credit Rating	Coupon Rate (%)	Term to Maturity (Years)	Maturity Date	Market Value of Investment N' Million	Weight (%)
Bayelsa State	A	16.50	1.50	30-Jun-19	563.32	4.73
Delta State	A	14.00	0.75	30-Sep-18	1,038.94	8.72
Lagos State	A	13.50	2.91	27-Nov-20	4,479.82	37.58
Lagos State	A	14.50	1.89	22-Nov-19	2,691.97	22.59
Lagos State	A	16.50	6.00	30-Dec-23	857.61	7.20
Lagos State	A	17.25	9.60	4-Aug-27	428.34	3.59
Niger State	A	14.00	0.76	4-Oct-18	307.01	2.58
Niger State	A	14.00	0.95	12-Dec-18	264.17	2.22
Niger State	A	14.50	3.95	12-Dec-21	46.67	0.39
Osun State	A	14.75	1.95	12-Dec-19	1,241.33	10.41
Total					11,919.18	100.00

Investments in bonds issued by Lagos State Government accounted for 71 percent of total investment in State Government Bonds by the AES Funds as shown in Table 3.32 above. Other major investments were in bonds issued by Osun State (10 percent), and Delta State (9 percent).

(iv) Corporate Debt Securities

As at 31 December 2017, investments of the AES Funds in Corporate Debt Securities was valued at ₦27.37 billion, accounting for 3 percent of the total value of AES Funds. The decrease in the value of investments (₦0.61 billion), represented accrued coupons that were paid by the Issuer.

Investments were concentrated in instruments issued by UBA Plc, Lafarge WAPCO, FCMB and Fidelity Bank which accounted for 87 percent of total holdings in this asset class. Also, investments were made in new corporate bonds issued in 2017, namely: Lapo Microfinance Bank SPV Plc N20 billion Debt Issuance Programme and the Viathan Funding Plc ₦50 billion Medium Term Note Program.

(v) Domestic Money Market Securities

Investments in domestic Money Market Instruments were valued at ₦63.17 billion (8 percent of AES Fund value) as at 31 December, 2017, representing an increase of 29 percent when compared to the value of ₦49.02 billion as at 31 December, 2016. This increase was attributed to new investments as well as accrued interests.

(vi) Open/Closed End Funds

The investments of the AES Funds in Open/Closed End Funds were valued at ₦1.87 billion, which is less than 1 percent of the total AES Fund value, as at 31 December, 2017. Investments were spread across four Collective Investment Schemes valued at ₦903.05 million and three Real Estate Investment Trusts valued at ₦968.88 million.

(vii) Real Estate Properties

Real Estate Properties were valued at ~~N~~93.96 billion (11 percent of total Funds) as at December 2017, which is an increase in value of ~~N~~4.20 billion compared to the value of ~~N~~89.76 billion as at December, 2016. Investments in real estate properties were legacy real estate assets transferred to the Pension Funds by the Scheme Sponsors.

(viii) Cash & other Assets

Un-invested cash holdings were valued at ~~N~~211.26 million as at 31 December 2017, representing matured investments awaiting re-investment as at that date; as well as cash provisions to meet liquidity requirements of the funds.

3.10 Processing of Retirement/Terminal Benefits

3.10.1 Retirement on Programmed Withdrawal

The total number of retirees on Programmed Withdrawal increased from 142,742 in December 2016 to 174,186 as at 31 December 2017 as shown in Table 3.33. This represents an increase of 22.03 percent over the 2016 figures. A breakdown of the total number of retirees showed that while the Federal Government of Nigeria (FGN) retirees accounted for 104,395 (59.93 percent), the States accounted for 14,447 (8.29 percent), whereas the private sector accounted for 55,344 (31.77 percent) during the year.

Table 3.33: Payment of Retirement Benefits through Programmed Withdrawal

Year	Number of Retirees				Monthly Pension (N Million)	Lumpsum (N Million)
	FGN	State	Private	Total		
Cumulative To 2015	83,677	8,784	34,314	126,775	4,183.48	316,755.34
2016	6,267	1,803	7,897	15,967	632.68	50,257.40
2017	14,451	3,860	13,133	31,444	1,070.95	81,714.35
Total	104,395	14,447	55,344	174,186	5,887.11	448,727.09

As shown in Table 3.33, the sum of ~~N~~50.3 billion and ~~N~~632.68 billion were paid as total lumpsum and monthly pension respectively for the year 2016, while the sums of ~~N~~81.7 billion and ~~N~~1.07 billion were paid as total lumpsum and monthly pension respectively as at 31 December, 2017. The total monthly Programmed Withdrawal from inception to 31 December, 2017 is ~~N~~5.89 billion, while the cumulative lumpsum paid from inception to date stood at ~~N~~448.73 billion.

3.10.2 Pension Enhancement of Retirees on Programmed Withdrawal

The Commission examined the balances in the RSAs of retirees receiving pensions through the PFAs under the Programmed Withdrawal. It was discovered that the returns being generated by the PFAs on the balances of the RSAs of majority of the affected retirees could be used to enhance their monthly pensions. Accordingly, the PFAs were directed to commence the enhancement of the

pensions of all retirees under Programmed Withdrawal with effect from December 2017. The Commission had approved the enhancement of Pension of 2,916 retirees from the sum of ₦98.10 million to ₦111.26 million monthly.

3.10.3 Retirement on Annuity

The total number of retirees on Annuity increased from 34,876 in 2016 to 48,539 as at 31 December 2017 representing 39.18 percent as shown in Table 3.34. A breakdown of the total number of retirees shows that while the FGN retirees accounted for 31,717 (65.34 percent), the States retirees were 4,500 (9.27 percent) while the private sector retirees were 12,322 (25.39 percent) as at the end of the year. A comparison of the number of retirees on annuity (48,539) relative to programmed withdrawals (174,186) showed that 21.79 percent of the retirees were under annuity, while 78.21 percent were under programmed withdrawals.

Table 3.34: Payment of Retirement Benefits through Annuity

Year	Number of Retirees				Monthly Annuity (₦ Million)	Lumpsum (₦ Million)	Premium (₦ Million)
	FGN	State	Private	Total			
Cumulative To 2015	17,324	2,447	6,561	26,332	1,358.45	37,887.95	129,602.95
2016	5,322	920	2,302	8,544	389.95	9,202.87	40,968.01
2017	9,071	1,133	3,459	13,663	778.74	13,201.88	71,051.45
Total	31,717	4,500	12,322	48,539	2,527.14	60,292.70	241,622.41

Table 3.34 further shows that the cumulative Monthly Annuity paid to retirees from inception to date was ₦2.53 billion, after the payment of a cumulative lumpsum of ₦60.30 billion. The total premium transferred to Insurance Companies from inception to 31 December, 2017 stood at ₦241.62 billion.

3.10.4 Enbloc Payment to Retirees/Foreigners

During the year under review, approval was granted for en bloc payment of RSA balances amounting to ₦3.83 billion that was insufficient to fund 50 percent of last emoluments of 14,250 retirees either by Programmed Withdrawal or Annuity.

Table 3.35: En bloc Payment of Retirement Benefits

Year	Number of Retirees					Amount (₦ Million)
	FGN	State	Private	Total	% of Total	
Cumulative To 2015	5,708	1,046	56,512	63,266	70.42	14,913.19
2016	270	539	11,519	12,328	13.72	3,329.21
2017	201	718	13,331	14,250	15.86	3,831.05
Total	6,179	2,303	81,362	89,844	100	22,073.45

3.10.5 Payment of Death Benefits

During the year under review, approvals were granted for payment of death benefits to 8,231 deceased employees of the FGN, State and Private Organizations amounting to ₦27.68 billion. The cumulative payment stood at ₦138.90 billion which was paid to Next-of-Kin of 45,509 deceased employees from inception to 31 December, 2017.

Table 3.36: Payment of Death Benefits

Year	Number of Retirees				Amount (₦ Million)
	FGN	State	Private	Total	
Cumulative To 2015	24,983	1613	5,808	32,404	94,278.70
2016	2,966	617	1,291	4,874	16,938.94
2017	4,619	1157	2,455	8,231	27,684.51
Total	32,568	3,387	9,554	45,509	138,902.15

3.10.6 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, there was no payment to retirees on medical grounds. However, the cumulative amount paid to 320 retirees on medical ground from inception stood at ₦174.01 million while the cumulative average monthly pension from inception was ₦18.85 million as shown in Table 3.37 below.

Table 3.37: Payment of Retirement Benefits on Medical Ground

Sector	Number of Retirees				Lumpsum (₦ Million)	Monthly Pension (₦ Million)
	FGN	State	Private	Total		
Cumulative To 2015	48	2	233	283	119.13	18.19
2016	16	0	21	37	54.88	0.66
2017	0	0	0	0	0	0
Total	64	2	254	326	174.01	18.85

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

3.10.7 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 ₦20.68 billion, to 57,416 RSA holders as shown in Table 3.38 below. A breakdown showed that Federal and States Governments accounted for 803 and 1,374 RSA holders

respectively, while the Private Sector stood at 55,239. These figures showed an increase in the turnover rate of staff in year 2017 compared to 2016. From inception to date, a total of 250,321 RSA holders in this category have collected a cumulative amount of ₦82.57 billion. This represent a growth of 30.00 percent in the cumulative number of disengaged employees over the figures of 2016.

Table 3.38: Payment of 25 percent to RSA Holders

Year	Number of Retirees				Amount (₦ Million)
	FGN	State	Private	Total	
Cumulative To 2015	4,770	1777	142,333	148,880	46,233.09
2016	1,514	716	41,795	44,025	15,656.66
2017	803	1374	55,239	57,416	20,676.35
Total	7,087	3,867	239,367	250,321	82,566.10

3.10.8 Life Insurance Policy for Employees

In compliance with the PRA 2014, 103 employers of labour covered under the CPS submitted their Certificates of Group Life Insurance Policy (GLIP) covering over 29,998 employees 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. A breakdown of the 103 GLIPs submitted showed that 102 employers were from the private sector, 1 FGN institution while there was no submission from State Governments and their institutions.

Table 3.39: Submission of Group Life Insurance Certificates for the year 2017

S/No	Sector	Number of Employers	Number of Employees
1	Private Sector	102	29,898
2	Government Institutions	1	100
3	State Government	-	-
	Total	103	29,998

3.10.9 Missing Person

The Commission received 9 reported cases of missing persons during the year which are at various stages of review.

PART FOUR

PENSION OPERATORS STATISTICS

4.1 RSA Registration by PFA

The PFAs registered a total number of 7,823,773 RSA holders as at 31 December, 2017 (see Table 4.1). An analysis of membership by PFAs shows that Stanbic IBTC PFA has the highest proportion of RSA registrations with 20.83 percent of the total registration. Trustfund Pensions Plc and ARM Pension Managers Limited followed with 8.88 and 8.78 percent respectively. The PFAs with the least number of RSA registrations were Radix and Investment One Pension Fund Managers Limited accounting for 0.11 and 0.86 percent of the RSA holders respectively.

Table 4.1: RSA Registrations by PFA as at 31 December 2017

S/N	Name of PFA	RSA Registration	Weigh (%)
1	AIICO Pension Managers Limited	217,206	2.78
2	APT Pension Funds Managers Limited	116,787	1.49
3	ARM Pension Managers Limited	687,013	8.78
4	AXA Mansard Pensions Limited	70,058	0.90
5	Crusader Sterling Pension Limited	287,473	3.67
6	Fidelity Pension Managers Limited	172,492	2.20
7	First Guarantee Pension Limited	243,705	3.11
8	Future Unity Glanvills Pensions Limited	121,214	1.55
9	IEI-Anchor Pension Managers Limited	111,305	1.42
10	Radix Pension Managers Limited	8,944	0.11
11	Investment One Pension Managers Limited	67,602	0.86
12	Leadway Pensure PFA Limited	539,668	6.90
13	Legacy Pension Managers Limited PFA	368,684	4.71
14	NLPC Pension Fund Administrators Ltd	275,399	3.52
15	NPF Pension Managers	256,541	3.28
16	Oak Pensions Limited	185,194	2.37
17	Pension Alliance Limited	480,813	6.15
18	Premium Pension	622,044	7.95
19	Sigma Pension Limited	666,997	8.53
20	Stanbic IBTC Pension Managers Limited	1,629,790	20.83
21	Trust Fund Pension PLC	694,844	8.88
	Total	7,823,773	100.00

A further analysis of PFAs ranking indicates that the top 3 PFAs accounted for 38.49 percent of total RSA registrations as demonstrated in Table 4.2. The top 5 and top 10 PFAs accounted for 54.97 and 79.92 percent proportion of the total RSA registrations respectively.

Table 4.2: RSA Registrations by Rank of PFAs

Rank	Total	Percentage of Total (%)
Top 3	3,011,647	38.49
Top 5	4,300,608	54.97
Top 10	6,252,725	79.92
Bottom 3	146,604	1.87
Bottom 5	374,696	4.79
Bottom 10	1,314,507	16.80

Furthermore, Table 4.2 shows that the bottom 3 PFAs accounted for 1.87 percent of total RSA registration. The bottom 5 and 10 PFAs accounted for 4.79 and 16.80 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	RSA Retiree	Total (₦ Million)	Weight (%)
	₦ 'Million			
AllCO Pension Managers Limited	76,462.98	3,896.27	80,359.24	1.43
APT Pension Funds Managers Limited	42,986.84	1,895.93	44,882.77	0.80
ARM Pension Managers Limited	448,321.27	49,526.72	497,847.99	8.84
AXA Mansard Pensions Limited	15,668.76	638.72	16,307.48	0.29
Crusader Sterling Pension Limited	155,733.32	22,390.01	178,123.32	3.16
Fidelity Pension Managers Limited	44,612.04	1,852.33	46,464.37	0.83
First Guarantee Pension Limited	135,064.19	21,732.77	156,796.95	2.79
Future Unity Glanvills Pensions Limited	44,349.98	4,879.98	49,229.96	0.87
IEI-Anchor Pension Managers Limited	29,621.44	1,702.01	31,323.45	0.56
Radix Pension Fund Managers Limited	1,536.91	129.10	1,666.01	0.03
Investment One Pension Managers Limited	7,209.56	1,114.89	8,324.45	0.15
Leadway Pensure PFA Limited	248,135.56	23,626.92	271,762.48	4.83
Legacy Pension Managers Limited PFA	151,799.78	19,127.44	170,927.22	3.04
NLPC Pension Fund Administrators Ltd	150,437.71	26,653.68	177,091.39	3.15
NPF Pension Managers	334,012.02	17,118.17	351,130.19	6.24
Oak Pensions Limited	62,416.50	6,587.47	69,003.97	1.23
Pension Alliance Limited	248,011.12	21,120.52	269,131.64	4.78
Premium Pension	390,750.68	53,601.77	444,352.45	7.89
Sigma Pension Limited	264,112.45	42,679.22	306,791.66	5.45
Stanbic IBTC Pension Managers Limited	1,898,240.90	197,749.55	2,095,990.46	37.23
Trust Fund Pension PLC	315,839.01	46,099.00	361,938.01	6.43
Total	5,065,323.02	564,122.45	5,629,445.47	100.00

Further analysis of the PFAs ranking based on the pension assets under management showed that the top 5 PFAs and top 10 PFAs had 66.64 percent and 88.00 percent of the total assets under their management respectively as shown in Table 4.4.

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

Rank of PFA	Percentage of Total
Top 3	53.97
Top 5	66.64
Top 10	88.00
Bottom 3	0.47
Bottom 5	1.82
Bottom 10	8.96

4.3 Pension Fund Contributions by PFA

A summary of the Pension Fund contributions received by PFAs suggest that one PFA had 34.41 percent of total pension fund contributions from inception to the end of 2017. The position also shows that the subsequent PFAs had 9.37 and 8.51 percent of the total pension contributions respectively as shown in Table 4.5.

Table 4.5: Pension Fund Contribution by PFA as at 31 December, 2017

S/N	PFA	₦ Million	% of Total
1	AIICO Pension Managers Limited	71,311.24	1.56
2	APT Pension Funds Managers Limited	30,019.80	0.66
3	ARM Pension Managers Limited	389,723.91	8.51
4	Penman Pensions Limited	14,028.01	0.31
5	Crusader Sterling Pension Limited	135,684.06	2.96
6	Fidelity Pension Managers Limited	34,796.17	0.76
7	First Guarantee Pension Limited	147,336.08	3.22
8	Future Unity Glanvills Pensions Limited	41,486.41	0.91
9	IEI-Anchor Pension Managers Limited	25,830.73	0.56
10	Radix Pension Managers Limited	675.08	0.01
11	Investment One Pension Managers Limited	7,429.62	0.16
12	Leadway Pensure PFA Limited	220,158.22	4.81
13	Legacy Pension Managers Limited PFA	177,476.36	3.88
14	NLPC Pension Fund Administrators Ltd	126,838.35	2.77
15	NPF Pension Managers	253,311.25	5.53
16	Oak Pensions Limited	66,043.51	1.44
17	Pension Alliance Limited	264,557.85	5.78
18	Premium Pension	429,285.66	9.37
19	Sigma Pension Limited	246,786.89	5.39
20	Stanbic IBTC Pension Managers Limited	1,575,995.81	34.41
21	Trust Fund Pension PLC	321,109.04	7.01
	Total	4,579,884.06	100.00

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

Rank of PFA	Total (N' Million)	% of Total
Top 3	2,395,005.37	52.29
Top 5	2,980,672.27	65.08
Top 10	4,025,741.07	87.90
Bottom 3	22,132.71	0.48
Bottom 5	77,983.25	1.70
Bottom 10	418,458.94	9.14

PART FIVE

OUTLOOK OF THE PENSION INDUSTRY

5.1 Regulatory and Supervisory Outlook of the Pension Industry

The Regulatory and Supervisory outlook of the pension industry in 2018 would largely be influenced by the macroeconomic environment; political developments as it impacts on the capital and money markets; and the implementation of various initiatives as outlined in the Commission's and Pension Industry Strategies. The outlook for the Nigerian Economy in 2018 showed promises of a recovery with sustained positive increases in the GDP from Q3, 2017 with a projected real GDP growth of 2.0% year-on-year in 2018 largely anchored on improvements in net exports (mainly due to increases in oil prices). Other macroeconomic indices equally showed positive signs with a slow-down in the rate of inflation to an average of 12.2% year-on-year reflecting improved agricultural output and exchange rate stability (due to increase in external reserves rising to about \$38 billion dollars by December, 2017). However, these positive developments could be dampened given the key risk of political instability ahead of the 2019 elections, which casts uncertainty around government policies. Overall, given the likely operating environment the Pension Industry would be favourably impacted especially in the areas of expansion of coverage and short term returns on pension fund investment.

Given the likely positive operating environment, the regulatory and supervisory outlook for 2018 would largely be determined by Commission's implementation of initiatives outlined in the Corporate and Pension Industry Strategies as highlighted above. Specifically, the Commission would intensify efforts to widen pension coverage with the implementation of the Micro Pension Plan, which is an initiative targeted at the informal sector in 2018. It would also intensify engagement with state governments to explore various options towards the full implementation of the CPS by the states. Furthermore, the industry would implement strategic initiatives to enhance service delivery such as the development of pension industry service delivery framework, back office process optimization through increased automation, as well as explore shared service options for basic processes to reduce cost of operations within the pension industry.

In 2018, the Commission would implement an enhanced risk-based supervisory framework with the migration to the Financial Services Regulation Coordinating Committee (FRSCC) Risk Based Supervision (RBS) model. This initiative is aimed at attaining the objective of ensuring a safe and sustainable pension industry in Nigeria. In addition, the pension industry would adopt the International Financial Reporting Standards (IFRS) in line with global best practice. Thus, the financial statements of all operators for 2017 would be prepared using the IFRS.

One of the strategic priorities of the Commission is to consistently deliver positive real returns as well as increased investment in infrastructure and other alternative assets. Towards this end, a multifund structure for RSA funds would be

implemented in Q3, 2018. The RSA multifund structure is envisaged to not only provide investment portfolio choices to contributors but seeks to achieve optimum returns by aligning pension savings with their individual risk/return profiles. It would also enhance the safety of pension assets through adequate portfolio diversification with increased investment in equities and alternative assets such as infrastructure and private equity. Additionally, the Commission would further amend the Investment Regulation to create an Ethical Fund to provide opportunities for RSA holders to have their funds invested based on ethical considerations within the year.

The Commission is currently developing an Enhanced Contribution Registration System (ECRS) which shall be an upgrade of the existing Contributor Registration System (CRS). It is meant to accommodate additional registration fields and to incorporate the minimum demographic and biometric requirements for the unique identification of an individual on the National Identity Database (NID), maintained by the National Identity Management Commission (NIMC). The System shall ensure the resolution of the issues of multiple registration by contributors and enable the activation of transfer window for all contributors.

As part of efforts to deepen the financial sector, the Commission would continue to partner with other regulatory agencies, other relevant government agencies and both local and international asset managers to encourage the development of new investible securities/asset classes for pension funds to further diversify and ensure the generation of above-inflation returns in the long run. Continuous focus would be placed on partnering with relevant stakeholders to ensure the availability of long term (safe) investment outlets for pension funds that would impact on the real sector of the economy, especially housing.

PenCom will continue to collaborate with other regulatory agencies to further develop the pension market and optimize the use of the pension fund assets for economic development. Collaborations with regulators would be intensified such as the Securities and Exchange Commission (SEC) and the Central Bank of Nigeria in finding ways to move the pension industry forward.

In general, the future of the industry in 2018 is very bright. A more stable macroeconomic environment is expected, which is a necessary condition for the growth of the Pension Industry, as well as enhanced regulation and supervision to ensure its safety and sustainability

PART SIX: ADDRESSES AND PROFILES OF PENSION OPERATORS

6.1 Contact Details of Pension Fund Operators

Table 6. 1: Pension Fund Administrators

<i>S/N</i>	<i>Name of Operator</i>	<i>Managing Director</i>	<i>Address</i>	<i>Phone No.</i>	<i>E-mail and Web Addresses</i>
1	AIICO Pension Managers Limited	Eguarekhide J. Longe	Plot 2, Oba Akran Avenue, Ikeja Lagos	08157306868	elonge@aiicopension.com www.aiicopension.com
2	ARM Pension Managers (PFA) Limited	Wale Odutola	5, Mekunwen Road Off Onyinkan Abayomi Drive Ikoyi, Lagos	08033048473	wale.odutola@armpension.com www.armpension.com
3	Apt Pension Funds Managers Limited	Dr. Al-Mujtaba Abubakar	Federal Mortgage Bank House, Plot 266, Cadastral AO, Central Business District, Garki, Abuja	08033146939	gummia@aptpension.com www.aptpensions.com
4	AXA Mansard Pensions Limited	Oladapo O. Akinsanya	21b Olosa Street, Victoria Island Lagos	08034881902	dapo.akisanya@axamansardpensions.com Website: www.axamansardpensions.com
5	Crusader Sterling Pensions Ltd	Adeniyi Falade	Plot 14, Keffi Street Off Awolowo Way Ikoyi, Lagos	08058004953	adeniyi.falade@crusaderpensions.com www.crusaderpensions.com
6	Fidelity Pension Managers Limited	Amaka Andy-Azike (MD/CEO)	2 Adeyemo Alakija Street, Victoria Island, Lagos	08033257523,	amaka.azike@fidelitypensionmanagers.com www.fidelitypensionmanagers.com

Table 6.1: Pension Fund Administrators (Cont'd)

S/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
7	First Guarantee Pensions Limited	Chima Akalezi (Ag.MD/CEO) Interim Management Committee	Irorun Plaza 65, Kudirat Abiola Way Oregun, Ikeja Lagos.	08033279973	cakalezi@firstguaranteepension.com www.firstguaranteepension.com
8	Future Unity Glanvills Pensions Limited	Adebayo Adesina	26 Commercial Avenue Yaba, Lagos	08060622052	aadesina@fugpensions.com Website: www.fugpensions.com
9	IEI-Anchor Pension Managers Limited	Glory Etaduovie	No. 22 Otukpo Street Off Gimbiya Street Area 11, Garki, Abuja	08034541500	glory.etaduovie@ieianchorpensions.com www.ieianchorpensions.com
10	Investment One Pensions Limited	Azubuike Okonkwo	Plot 871 Tafawa Balewa Way Opposite NICON Luxury Hotel Area 11, Garki Abuja	08023204661	azubuike.okonkwo@investment-onepension.com www.gtbampension.com
11	Leadway Pensure PFA Limited	Aderonke Adedeji	121/123 Funsho Williams Street, Surulere Lagos	08066438653	r-adedeji@leadway-pensure.com www.leadway-pensure.com
12	Legacy Pension Managers Limited (PFA)	Misbahu Umar Yola	No. 207, Zaariya Maimalari Street, Cadastral AO Central Business District Abuja	08022235807	misbahuyola@legacypension.com www.legacypension.com
13	NLPC Pension Fund Administrators Limited	Wale O. Kolawole	No. 312A, Ikorodu Road, Anthony, Lagos	08034027008	wale.kolawale@nlpcpfa.com Website: www.nlpcpfa.com

Table 6.1: Pension Fund Administrators (Cont'd)

S/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
14	NPF Pensions Limited	Dr. Hamza Sule Wuro Bokki	NPF Pensions Limited Insurance Building Behind Force Headquarters Louis Edet House Shehu Shagari Way Area 11, Garki Abuja	08033139435	hamza.bokki@npfpensions.com Website: www.npfpensions.com
15	Oak Pensions Limited	Samuel Inyang	266 Muritala Mohammed Way Yaba, Lagos	08033094625	sami@oakpensions.com www.oakpensions.com
16	Pensions Alliance Limited	Morohunke Bammekke	9th Floor UBA Building 57 Marina, Lagos	08090500200 08057168008	morohunke.bammeke@palpensions.com Website: www.palpensions.com
17	Premium Pension Limited	Umar Sanda Mairami	No. 4, Agwu Close Off Faskari Crescent Area 3, Garki Abuja	09082454668	usmairami@premiumpension.com Website: www.premiumpension.com
18	Radix Pension Managers Limited	Sakiru Temitope Dosumu (Acting)	Radix Pension Managers Limited 26, Adeola Hopewell Street Victoria Island Lagos	07085822828	sdosumu@radixpension.com
19	Sigma Pensions Limited	Emenike D Uduanu	No. 29 Durban Street, Off Adetokunbo Ademola Crescent, Wuse II, Abuja	N/A	uduanued@sigmapensions.com Website: www.sigmapensions.com
20	Stanbic IBTC Pension Managers Limited	Eric Fajemisin	Plot 1678, Olukunle Bakare Close, Off Sanusi Fafuwa Street, Victoria Island, Lagos	08033048324	eric.fajemisin@stanbicibtc.com Website: www.stanbicibtcpension.com
21	Trustfund Pensions Plc	Helen Da-Souza	Plot 820/821, Labour House, Central Business District, Abuja	08052090315	helen.da-souza@trustfundpensions.com Website: www.trustfundpensions.com

Table 6.2: Closed Pension Fund Administrators

S/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
1.	Chevron Nigeria Pension Plan Limited	Mrs. Abiola Adeola Nnaobi	Zasarii Building (behind Union Bank) 13, Cornelius Odinor Street Off Hameed Kasumu Street Chevy Estate (Off Chevron Drive) Lekki, Lagos	08035350429	annaobi@chevron.com Website: www.chevron.com/nigeria
2.	Nestle Nigeria Trust (CPFA) Limited	Musibau.Makanjuola	22/24 Industrial Avenue, Ilupeju, Lagos	08052797123	musibau.makanjuola@ng.nestle.com Website: www.ng.nestle.com
3.	Nigerian Agip CPFA Limited	Ighojovbe Oghenekaro	No. 1 Elsie Femi Pearse Street Off Adeola Odeku Street Victoria Island Lagos	07034161327	Ighojovbe.oghenekaro@naoc.agip.it www.naoc.agip.it
4.	Progress Trust CPFA Limited	H.T. Lawani	No 1, Abebe Village Road, Iganmu, Lagos	08053184274	titi.lawani@heineken.nl www.progresstrustCPFA.com
5.	Shell Nig. Closed Pension Fund Administrator Ltd	Akeeb Akinola	1st Floor C-Wing, Bank of Industry Building, 23 Marina, Lagos	08070365632	a.akinola@shell.com www.shellnigeria.com
6.	Total (E & P) Nig. CPFA Ltd	Ifeanyi Ani	30 Kofo Abayomi Street Victoria Island, Lagos	07034130595	tifeanyi.ani@totalcpfa.com Website: www.total.com
7.	UNICO CPFA Limited	Muhibat Abbas	UAC Foods Limited Building (1st Floor) Km 16, Ikorodou Road Ojota Bus Stop Lagos	08033340592	mabbas@uacnplc.com www.unicoCPFA.com

Table 6.3: Pension Fund Custodians

S/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
1.	Diamond Pension Fund Custodian Limited	Chinedu Osundu Ekeocha	1A Taimiyu Savage Street, Victoria Island, Lagos	07034111256	cekeocha@diamondpfc.com www.diamondpfc.com
2.	First Pension Custodian Nigeria Limited	Kunle Lawal Jinadu	6, Maduiké Street Off Awolowo Road Ikoyi Lagos	08034022126	kunle.jinadu@firstpensioncustodian.com www.firstpensioncustodian.com
3.	UBA Pensions Custodian Limited	Bayo Yusuf	Plot 22b, Idowu Taylor Street, Victoria Island, Lagos	08033123174	bayo.yusuf@ubagroup.com www.ubagroup.com
4.	Zenith Pensions Custodian Limited	Nkem Oni-Egboma	4th and 5th Floors, Civic Towers Ozumba Mbadiwe Road Victoria Island Lagos	08023164118	nkem.oni-egboma@zenithcustodian.com www.zenithcustodian.com

6.2 Profile of Pension Fund Operators

Table 6. 4: Profile of Pension Fund Administrators

<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>
1.	AIICO Pension Managers Limited	Ebi Ernest Chukwudi Chairman Mr. Eguarekhide J. Longe Managing Director/CEO Chief (Dr.) O. Fajemirokun Director B. J. Oluwadiya Director Ademola Abimbola Adebisi Director Ayodele Bamidele Director Adewale Adegbite Director Edwin Igbiti Director Asue Ighodalo Independent Director	1,078,776,978	36	Ernst & Young
2.	APT Pension Funds Managers Limited	Yakubu Ado Wanka Chairman Al-Mujtaba Abubakar Gumi Managing Director/CEO Kasimu Garba Kurfi Director Hassan Usman Director Kado Danfuloti Guga Director Mr. Bayo Williams Olugbemi Director Mr. Sani Adetu Director Ms. Toni Ofudeko Director	1,643,350,594	4	Muhtari Dangana & Co. (Chartered Accountants)
3.	ARM Pension Managers Limited	Mr. Emmanuel Ikazoboh Chairman Wale Odutola Managing Director/CEO Olayiwola Afolabi Executive Director Ms. Jumoke Ogundare Director Aliyu Asgar Yar'Adua Director Akojobi Ndunaka Daniel Director Souleyman Ba Director Kamar Bakrin Director Emmanuel Ikazoboh Independent Director	1,190,476,188	52	KPMG Professional Services

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

S/N	PFA Name	Board of Directors		Paid-up Share Capital (₦' million)	Number of Branches and Service Centre	External Auditors
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	3,446,120,000	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 (N' million)	Number of Branches and Service Centre	External Auditors
7.	Future Unity Glanvills Pensions Limited	Alhaji Farouk Lawal Yola 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	2,000,000,000	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 (N)	Number of Branches and Service Centre	External Auditors
10.	Investment One Pension Managers Limited	Alex Okoh Azubuike Okonkwo Mr. Nicholas Nyamali Mr. Bayo Omojola Mrs. Taiwo A. Mudasiru Abimbola Afolabi -Ajaji Mrs. Adegoke Chukwuma Mrs. Gbemi Victoria Adelekan	Chairman MD/CEO Director Director Director Director Director Director	1,511,022,879	1	KL & Co. (Nigeria) Chartered Accountants
11.	Leadway Pensure PFA Limited	Mr Oye Hassan-Odukale Mrs. Aderonke Adedeji Olusakin Adebawale Labeodan Olanrewaju Taofeek Idris Dr. Balla Swamy Kofo Majekodunmi Tunde Hassan-Odukale Ike Osakwe Ibrahim Waziri	Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Director Director	1,642,360,710	35	Akintola Williams Deloitte & Touche

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

S/N	PFA Name	Board of Directors	Paid-up Share Capital (N)	Number of Branches and Service Centre	External Auditors
12.	Legacy Pension Managers Limited PFA	Lamis Dikko Chairman Misbahu Umar Yola Managing Director/CEO Umar Sanda Mairami Executive Director Christopher Babatunde Bajowa Executive Director Ahmed Lawan Kuru Director Segun Fowora Director Mahdi Mohammed Director Salihu Shuaibu Makarfi Director Peter Obaseki Director Nurudeen Rafindadi Director Suzanne O. Iroche Independent Director	800,000,000	29	KPMG Professional Services
13.	NLPC Pension Fund Administrators Ltd.	J. O. Emmanuel Chairman A. O. Kolawole Managing Director/CEO Mrs. C. O. Oyeleye Executive Director Samuel Adewole Balogun Executive Director E. O. Eleramo Director A. A. Adeyeye Director Chief F. R. A. Marinho Director Senator O. O. Omilani Director Ahmed Musa Muhammad Director Remilekun Odunlami Independent Director	1,493,486,221	5	Ajibade Durojaiye & Co (Chartered Accountants)
14..	Oak Pensions Limited	Dr. Awa Ibraheem Chairman Samuel Inyang Managing Director/CEO Muhammed Baba Director Ganiyu Musa Director Anirejuoritse Ojuyah Director Adeyemi Abdullateef Independent Director	1,050,000,000		Ernst & Young

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

S/N	PFA Name	Board of Directors	Paid-up Share Capital (₦)	Number of Branches and Service Centre	External Auditors	
15.	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	PriceWaterhouseCoopers (PWC) RSA & Retiree: KPMG Professional Services
16.	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)
17.	Radix Pension Fund Managers Limited	Abiodun Dabiri Vacant Olaseni Oduwole Rotimi Fashola Ayuli Jemide Kikielomo Kasim	Chairman Managing Director/CEO Director Director Director Director	1,000,000,000	5	Akinola Akintunde & Co
18.	Sigma Pensions Ltd	Rasaki Oladejo Umaru H. Modibbo Mohammed A. Jalingo Dunami Stanley Balami	Chairman Managing Director/CEO Director Director	984,539,475	31	Muhtari Dangana & Co. (Chartered Accountants)

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

S/N	PFA Name	Board of Directors	Paid-up Share Capital (N)	Number of Branches and Service Centre	External Auditors	
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	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 Administrators

S/N	CPFA Name	Name of Director	Appointment	Paid-up Share Capital (N)	External Auditors
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 Igbojovbe 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 Tukur	Chairman Managing Director/CEO Director Director Director Independent Director	150,000,000	PriceWaterhouseCoopers (PWC)

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

S/N	CPFA Name	Name of Director	Appointment	Paid-up Share Capital (N)	External Auditors
5.	Shell Nig. Closed Pension Fund Administrator Ltd	Muti Sunmonu Mrs. Yemisi Ayeni Mrs Claire Ighodaro Beatrice Iyetule Spaine Jonathan Anolu Guy Janssens Tony Attah Mallam Balla Manu	Chairman Managing Director/CEO Director Director Director Director Director Independent Director	200,000	PriceWaterhouseCoopers (PWC)
6.	Total (E & P) Nigeria CPFA Limited	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	5,000,000	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	150,000,000	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 (₦)</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**

AIICO Pension Fund Managers Limited		
	2016 (N'000)	2015 (N'000)
Assets		
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
Total Assets	1,493,874	1,377,546
Liabilities		
Trade and Other payables	55,761	51,126
Interest-bearing loans and borrowings	-	4,438
Income tax payable	44,360	46,803
Total Liabilities	100,121	102,368
Net assets	1,393,753	1,275,178
Equity		
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
Total Equity	1,393,753	1,275,178
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
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

Apt Pension Funds Managers Limited

	2016 (N'000)	2015 (N'000)
ASSETS		
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
NON CURRENT ASSETS		
Property, plant and equipment	64,528,340	54,374,959
Intangible assets	9,495,650	10,186,183
		64,561,142
Total assets	1,631,797,819	1,422,369,976
Shareholders' Equity		
Share capital	1,643,350,590	1,643,350,590
Share premium	46,145,804	46,145,804
Statutory reserve	76,060,571	50,375,531
General reserve	(179,263,965)	(359,059,245)
Total Shareholder's equity	1,586,293,001	1,380,812,680
LIABILITIES		
Current liabilities	45,504,819	41,557,296
Accounts payable		21,451,118
Amounts owed to related parties		-
Taxation	(8,876,627)	(26,908,882)
Non current liabilities		
Deferred tax liability		3,931,089
Total Liabilities		41,557,296
Total shareholders' equity & liabilities	1,631,797,819	1,422,369,976
Funds under management	34,911,706,547	28,001,906,588

ARM Pension Managers Limited		
	2016 (N'000)	2015 (N'000)
ASSETS		
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
Current assets	4,301,499	4,144,654
Total assets	6,449,318	5,484,963
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
Current liabilities	1,727,680	1,535,607
Total liabilities	1,730,625	1,573,641
Equity		
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
Total equity	4,718,693	3,911,022
Total equity and liabilities	6,449,318	5,484,963
Statement of profit or loss and other comprehensive income		
Gross revenue	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

AXA MANSARD Pensions Limited		
	2016	2015
	(N'000)	(N'000)
ASSETS		
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
TOTAL ASSET	1,466,794	1,551,279
LIABILITIES		
Other liabilities	199,409	236,532
Current income tax liabilities	16,874	25,808
Deferred tax liability	15,578	20,430
TOTAL LIABILITIES	231,861	282,770
EQUITY		
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
TOTAL EQUITY	1,234,933	1,268,509
TOTAL LIABILITIES AND EQUITY	1,466,794	1,551,279

Crusader Sterling Pension Limited		
	2016 (N'000)	2015 (N'000)
Assets		
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
Total assets	3,857,131	3,457,071
Liabilities		
Other payables	386,256	237,716
Deposit for shares	-	-
Current tax payable		287,441
Deferred tax liability		40,842
Total liabilities		565,999
Equity		
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
Total equity	3,191,599	2,891,072
Total liabilities and equity	3,857,131	3,457,071

Fidelity Pensions Managers Limited

	2016 (N'000)	2015 (N'000)
ASSETS		
Cash & cash equivalents	627,076	1,762,429
Receivables	73,990	67,686
Investment securities		
- 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
TOTAL ASSETS	2,529,917	2,530,453
LIABILITIES		
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	374,286	656,288
Shareholder's equity		
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	2,155,631	1,874,165
LIABILITIES & SHAREHOLDERS' EQUITY	2,529,917	2,530,453
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
Per Share Data (Kobo)		
Earnings/(loss) per share- Basic & diluted	17	14
Net asset per share	134	119

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

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

Future Unity Glanvills Pensions Limited		
	2016 (N'000)	2015 (N'000)
ASSETS		
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
		1,295,424
CURRENT LIABILITIES		
Trade and Bank balances	59,123	47,813
Tax Payable	25,538	12,069
Bank overdraft	-	
	84,661	59,882
Non-current liabilities		
Total liabilities	84,661	59,882
CAPITAL AND RESERVES		
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)
	1,403,282	1,235,543
SHAREHOLDER'S FUNDS		
Total liabilities and equity	1,487,943	1,295,424
Revenue		
	744,929	612,604
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	149,651	(57,613)
	10	4

IEI Anchor Pensions Manager Limited		
	2016 (N'000)	2015 (N'000)
Assets		
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
Total Assets	1,365,681	1,322,583
Liabilities & Equity		
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	-	-
Total liabilities	108,083	170,513
Equity		
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
Total Equity	1,257,598	1,152,070
Total liabilities and equity	1,365,681	1,322,583

IGI Pensions Fund Managers Limited		
	2016 (N'000)	2015 (N'000)
ASSETS		
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
Total Assets	200	18,938
LIABILITIES		
Accounts payable	161,353	69,647
Due to related parties	-	-
Income tax payable	5,118	-
Deferred tax liabilities	-	2,099
Deposit for shares	-	-
Total Liabilities	-	
Equity		
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)
Total Equity & Liabilities	1,156,211	1,173,785

Investment One Pension Managers Limited		
	2016 (N'000)	2015 (N'000)
ASSETS		
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
Total Assets	1,076,999	1,090,035
LIABILITIES		
Other liabilities	11,454	19,020
Current income tax payable	6,702	10,715
Advances for increase in share capital		-
Total Liabilities	18,156	29,735
Equity		
Share Capital	1,500,000	1,500,000
Share premium	107,192	107,192
Accumulated loses	(548,349)	(546,892)
Total Equity	1,058,843	1,060,300
Total liabilities and equity	1,076,999	1,090,035

Leadway Pensure PFA Limited		
	2016 (N'000)	2015 (N'000)
ASSETS		
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	5,124,915	4,298,592
LIABILITIES		
Creditors and accrued expenses	476,942	391,437
Tax Payable	542,577	413,059
Deferred Taxation	21,176	42,148
Total liabilities	1,040,695	846,646
Equity		
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		
Total equity	4,084,220	3,451,948
Total liabilities and equity	5,124,915	4,298,592

Legacy Pension Managers PFA Limited

	2016 (N'000)	2015 (N'000)
BALANCE SHEET		
ASSETS		
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	3,316,448	3,142,006
LIABILITIES		
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	656,050	634,573
Net assets	2,660,398	2,507,433
CAPITAL AND RESERVES		
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
SHAREHOLDER'S FUNDS	2,660,398	2,507,433
Pension funds under management	193,616,789	166,134,038
Gross Revenue	2,295,893	2,193,575
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		

NLPC Pension Fund Administrators Limited

	2016 (N'000)	2015 (N'000)
BALANCE SHEET		
ASSETS		
Non- current Assets		
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
Current Assets		
Trade and other receivables	-	432,879,663
Cash and Cash Equivalents	-	216,997,928
Total Current Assets	-	649,877,591
Total Assets		2,634,372,148
Equity and Liabilities		
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
	2,105,626	2,165,845,494
Non-Current Liabilities		
Deferred Tax Liabilities	-	34,809,175
Current Liabilities		
	-	
Taxation		357,001,147
Trade and Other Payables		76,716,331
Total Current Liabilities		433,717,478
Total Equities and Liabilities		2,634,372,148

NPF Pensions Limited		
	2016 (N'000)	2015 (N'000)
ASSETS		
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
	1,611,563,695	1,024,777,842
Non-current assets		
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
Total assets	3,488,660,836	1,995,446,395
Liabilities and Shareholders' equity		
Non-current liabilities		
Provision for staff define benefits	200,354,844	106,456,239
Current liabilities		
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
Total liabilities	697,080,403	320,168,814
Shareholders' Equity		
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
Total equity	2,791,580,433	1,675,227,581
Total liabilities and shareholders' equity	3,488,660,836	1,995,446,395

OAK Pensions Limited

	2016 (N'000)	2015 (N'000)
BALANCE SHEET		
ASSETS		
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
Total assets	1,604,797,508	1,400,588,213
Liabilities		
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	-
Total liabilities	174,298,888	176,527,723
Equity		
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)
Total Equity	1,430,680,620	1,224,015,490
Total liabilities and equity	1,604,979,508	1,400,588,213

Pension Alliance Limited		
	2016 (N'000)	2015 (N'000)
BALANCE SHEET		
ASSETS		
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
Total Assets	3,437,559	3,228,747
LIABILITIES		
Current income tax liability	408,004	432,370
Deferred income tax liability	41,820	50,074
Other liabilities	250,675	227,633
Total liabilities	700,499	710,077
EQUITY		
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
Total equity	2,737,060	2,518,670
Total equity and liabilities	3,437,559	3,228,747

Premium Pension Limited		
	2016 (N'000)	2015 (N'000)
ASSETS		
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
Total assets	6,336,024	6,793,335
LIABILITIES		
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
		-
Total liabilities	1,434,030	2,395,720
Equity		
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	-
Total equity attributable to equity holders of the company	4,694,270	4,397,614
Total liabilities and equity	6,336,024	6,793,335

Sigma Pensions Limited		
	2016 (N'000)	2015 (N'000)
Assets		
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
Total Assets	3,952,883	4,077,686
Liabilities & Shareholders' Equity		
Liabilities		
Payable	-	45,187
Taxation	-	610,068
Deferred tax liability	-	47,995
Total liabilities	-	703,250
Shareholder's capital		
Share capital	984,539	984,539
Share Premium	77,511	77,511
Statutory reserves	866,761	670,166
General reserve	-	1,642,220
Total shareholders' equity	3,168,528	3,374,436
Total shareholders' liabilities and equity	3,952,883	4,077,686
Funds under management	279,868,094	251,721,933

Stanbic IBTC Pension Managers Limited		
	2016 (N'000)	2015 (N'000)
Assets		
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
Total Assets	41,155,579	25,836,307
Liabilities & Equity		
Liabilities		
Trade and other receivables	3,135,927	2,540,357
Tax payable	6,323,762	5,271,587
Deferred tax liability	-	-
Total liabilities	9,459,689	7,811,944
Equity		
Share capital	1,000,000	1,000,000
Statutory reserves	30,695,890	17,024,363
General reserve		
Total Equity	31,695,890	18,024,363
Total liabilities and equity	41,155,579	25,836,307

TRUSTFUND PENSIONS PLC		
	2016 (N'000)	2015 (N'000)
Assets		
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
Total Assets	7,455,883	6,377,664
Liabilities & Equity		
Payables and other liabilities	839,061	699,738
Tax payable	505,087	451,342
Deferred tax liability	183,452	297,572
Total liabilities	1,527,600	1,448,652
Equity		
Share capital	1,000,000	1,000,000
Retained earnings	4,061,293	3,218,181
Statutory reserve	866,990	710,831
Total Equity	5,928,283	4,929,012
Total liabilities and equity	7,455,883	6,377,664