



NATIONAL PENSION COMMISSION (PenCom)

2018 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

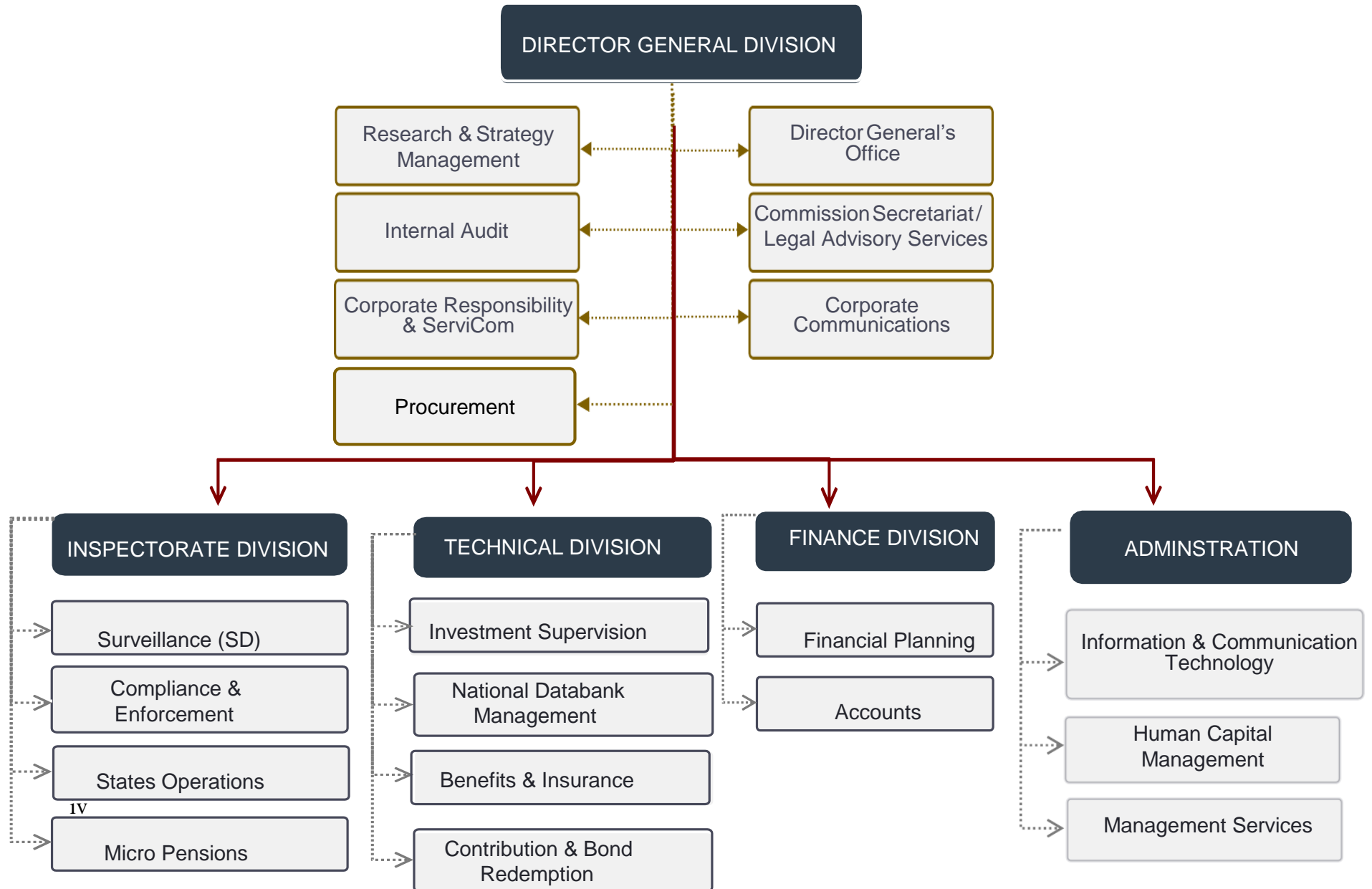


**Mrs Aisha Dahir-Umar
Acting Director General**

MANAGEMENT CONSULTATIVE COMMITTEE MEMBERS

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

ORGANISATIONAL STRUCTURE



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TABLE OF CONTENTS

CORPORATE VISION AND MISSION STATEMENT	i
EXECUTIVE COMMITTEE MEMBERS	ii
MANAGEMENT CONSULTATIVE COMMITTEE MEMBERS	iii
ORGANISATIONAL STRUCTURE	iv
OFFICIAL CONTACT DETAILS	v
TABLE OF CONTENTS	vi
LIST OF FIGURES	ix
LIST OF FIGURES	xi
ABBREVIATIONS AND ACRONYMS	xii
PART ONE: MANDATE AND CORE VALUES	1
1.1 Organizational Mandate	1
1.2 Core Values	1
1.3 PenCom Charter	2
PART TWO: CORPORATE ACTIVITIES	3
2.1 Regulatory and Supervisory Activities	3
2.1.1 Issuance of Guidelines and Regulations	3
2.1.2 Surveillance of the Pension Industry	4
2.1.3 Compliance and Enforcement Activities	6
2.1.4 Resolution Activities	7
2.1.5 Supervision of Investment of Pension Assets	8
2.1.6 Databank on Pension Matters	8
2.2 Departmental Activities	9
2.2.1 Benefits and Insurance Department	9
2.2.2 Compliance and Enforcement Department	9
2.2.3 Contributions & Bond Redemption Department	10
2.2.4 Corporate Communications Department	10
2.2.5 Corporate Responsibility & ServiCom Department	10
2.2.6 Director General's Office Department	11
2.2.7 Financial Planning Department	11
2.2.8 General Accounts Department	11
2.2.9 Human Capital Management Department	11
2.2.10 Information & Communication Technology Department	11
2.2.11 Internal Audit Department	12
2.2.12 Investment Supervision Department	12
2.2.13 Management Services Department	12
2.2.14 Micro Pension Department	12
2.2.15 National Data Bank Management Department	13
2.2.16 Procurement Department	13
2.2.17 Research and Strategy Management Department	13
2.2.18 States Operations Department	13
2.2.19 Surveillance Department	14
2.2.20 Commission Secretariat/Legal Advisory Services Department	14
2.3 Other Activities of the Commission	14

2.3.1	Sensitization Workshops/Seminars and Public Enlightenment	14
2.3.2	Collaborative Activities	16
2.3.3	Membership of International Organizations	16
PART THREE: THE PENSION INDUSTRY		17
3.1	The Operating Environment	17
3.1.1	Macroeconomic Developments	17
3.1.2	Developments in the Stock Market	17
3.1.3	Developments in the Bond Market	18
3.1.4	Developments in the Money Market	19
3.2	Licensing of Operators	19
3.3	Membership of Pension Schemes	19
3.3.1	Membership of the RSA Scheme	20
3.3.2	Memberships of CPFA and AES	21
3.4	Pension Contributions	22
3.5	Pension Funds Portfolio Analysis	24
3.5.1	Industry Portfolio Analysis	24
3.6	Analysis of Portfolio of RSA 'Active' Funds	26
3.6.1	Sources of Portfolio Growth / Diminution	27
3.6.2	Portfolio Performance	29
3.6.3	Analysis of RSA Funds (July to December 2018)	30
3.6.4	Sources of Portfolio Growth / Diminution	30
3.6.5	Portfolio Performance	33
3.6.6	Review of Asset Classes	35
3.6.7	Analysis of RSA Retiree Funds	42
3.6.9	Portfolio Performance	44
3.6.10	Review of Asset Classes	45
3.7	Analysis of Portfolio of Closed Pension Fund Administrators (CPFAs) Fund	49
3.7.1	Sources of Portfolio Growth / Diminution	51
3.7.2	Portfolio Performance	53
3.7.3	Review of Asset Classes	54
3.7.4	Funding Level	59
3.8	Review of Approved Existing Scheme (AESs) Fund	60
3.8.1	Sources of Portfolio Growth/Diminution	61
3.8.2	Portfolio Performance	63
3.9	Review of Asset Classes	63
3.10	Processing of Retirement/Terminal Benefits	67
3.10.1	Retirement on Programmed Withdrawal	67
3.10.2	Pension Enhancement of Retirees on Programmed Withdrawal	67
3.10.3	Retirement on Annuity	67
3.10.4	Enbloc Payment to Retirees/Foreigners	68
3.10.5	Payment of Death Benefits	69
3.10.6	Retirement Benefits on Medical/Health Grounds	69
3.10.7	Withdrawal of 25 percent of RSA Balance	69
3.10.8	Life Insurance Policy for Employees	70
3.11	Missing Person	70
3.12	Minimum Pension Guarantee (MPG)	71

PART FOUR: PENSION OPERATORS STATISTICS	72
4.1 RSA Registration by PFA	72
4.2 Pension Fund Assets under the Management of PFAs	73
4.2 Pension Fund Contributions by PFA	74
PART FIVE: OUTLOOK OF THE PENSION INDUSTRY	76
5.1 Regulatory and Supervisory Outlook of the Pension Industry	76
PART SIX: ADDRESSES AND PROFILES OF PENSION OPERATORS	78
6.1 Contact Details of Pension Fund Operators	78
6.2 Profile of Pension Fund Operators	83
APPENDIX 1: THREE YEAR FINANCIAL SUMMARY OF THE PFA COMPANY ACCOUNTS FOR THE PERIOD 2016 – 2018	91

LIST OF TABLES

Table 3.1:	Number of Pension Operators as at 31 December, 2018	19
Table 3.2:	RSA Registrations as at 31 December, 2018	21
Table 3.3:	Membership of CPFA in 2018	22
Table 3.4:	Membership of AES in 2018	22
Table 3.5:	Public Sector Pension Contributions as at December 2018	23
Table 3.6:	Private Sector Pension Contributions as at December 2018	23
Table 3.7:	Pension Fund Portfolio as at 31 December 2018	24
Table 3.8:	Portfolio of RSA 'Active' Funds as at 31 December 2018 and Corresponding Figures for 31 December 2017	25
Table 3.9:	Portfolio of RSA 'Active' Fund January to June 2018	27
Table 3.10:	Sources of Portfolio Growth RSA "Active" Fund as at 30 June 2018	28
Table 3.11:	Portfolio Mix of RSA Fund I, II and III as at 31 December 2018	30
Table 3.12:	Sources of Portfolio Growth - RSA "Active" Fund as at 31 December 2018	31
Table 3.13:	Annualized Performance of RSA Funds I, II and III	33
Table 3.14:	Breakdown of Investments in FGN Securities by the Three Funds	37
Table 3.15:	Term to Maturity Profile of FGN Bonds in Fund I as at 31 December 2018	37
Table 3.16:	Term to Maturity Profile of FGN Bonds in Fund II as at 31 December 2018	38
Table 3.17:	Term to Maturity Profile of FGN Bonds in Fund III as at 31 December 2018	38
Table 3.18:	RSA Fund I, II, III Investments in State Government Bonds as at 31 December 2018	39
Table 3.19:	Portfolio Mix of RSA Retiree Fund as at 31 December 2018 and 31 December 2017	42
Table 3.20:	Sources of Portfolio Growth for 2018 and 2017	43
Table 3.21:	RSA Retiree Fund Average Portfolio Yield	45
Table 3.22:	Breakdown of Investments in FGN Securities in the RSA Fund IV	46
Table 3.23:	Term to Maturity Profile of FGN Bonds as at 31 December 2018	46
Table 3.24:	Summary of Investments in State Government Bonds as at 31 December 2018	47
Table 3.25:	Summary of RSA 'Retiree' Fund Investments in Corporate Debt Securities as at 31 December 2018	48
Table 3.26:	Breakdown of RSA 'Retiree' Fund Investments in Money Market Instruments as at 31 December, 2018	49
Table 3.27:	Comparative Summary of CPFA Funds as at 31 December 2018	50
Table 3.28:	CPFA Funds – Sources of Portfolio Growth for 2018 and Comparative Figures for 2017	51
Table 3.29:	Return on Investment for the CPFA Funds in 2018	53
Table 3.30:	Investment in Ordinary Shares – December 2018	54
Table 3.31:	CPFA Funds - Investments in FGN Securities	55
Table 3.32:	CPFA Funds - FGN Bonds Maturity Profile as at 31 December, 2018	56

Table 3.33: CPFA Fund's Investment in State Government Bonds as at 31 December 2018	57
Table 3.34: Funding Status of CPFA Schemes	59
Table 3.35: Comparative Summary of AES Funds - 2017/2018	60
Table 3.36: AES Funds - Sources of Portfolio Growth for 2018 and Comparative Figures for 2017	61
Table 3.37: ROR on AES Schemes in 2018	63
Table 3.38: AES Funds - Investments in FGN Securities	64
Table 3.39: AES Funds - FGN Bonds Maturity Profile	64
Table 3.40: AES Fund's Investment in State Government Bonds as at 31 December 2018	65
Table 3.41: Payment of Retirement Benefits through Programmed Withdrawal	67
Table 3.42: Payment of Retirement Benefits through Annuity	68
Table 3.43: En-bloc Payment of Retirement Benefits	69
Table 3.44: Payment of Death Benefits	69
Table 3.45: Payment of 25 percent to RSA Holders	70
Table 3.46: Submission of Group Life Insurance Certificates for the year 2018	70
Table 4.1: RSA Registrations by PFA as at 31 December 2018	72
Table 4.2: RSA Registrations by Rank of PFAs	73
Table 4.3: Pension Fund Assets under the Management of PFAs	73
Table 4.4: Rank of PFAs Based on Pension Assets under Management	74
Table 4.5: Pension Fund Contribution by PFA as at 31 December, 2018	74
Table 4.6: Pension Fund Contribution by Rank of PFA	75
Table 6.1: Closed Pension Fund Administrators	81
Table 6.2: Pension Fund Custodians	82
Table 6.3: Profile of Pension Fund Administrators	83

LIST OF FIGURES

Figure 3.1:	RSA Registration by Sector	20
Figure 3.2:	Inflation Rate vs Yields on FGN Securities	34
Figure 3.3:	RSA Fund I: Investments in Ordinary Shares based on NSE Sector Classification	35
Figure 3.4:	RSA Fund II: Investments in Ordinary Shares based on NSE Sector Classification	36
Figure 3.5:	RSA Fund III: Investments in Ordinary Shares based on NSE Sector Classification	36
Figure 3.6:	Breakdown of RSA 'Active' Fund's Investment in Money Market Instruments as at 31 December, 2018	40
Figure 3.7:	RSA Retiree Fund Investments in Ordinary Shares based on NSE Sectors	45
Figure 3.8:	Portfolio of CPFA Funds as at 31 December 2018	51
Figure 3.9:	CPFA Funds – Sector Classification of Investments in Domestic Ordinary Shares as at 31 December 2018	55
Figure 3.10:	Portfolio of the AES Funds as at December 2018	61

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 Administrator
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 of the Commission
FGN	Federal Government of Nigeria
FICAN	Finance Correspondents Association of Nigeria
FTSE	Financial Times Stock Exchange
GDP	Gross Domestic Product
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
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
PFA	Pension Fund Administrator
PFC	Pension Fund Custodian
PRA 2014	Pension Reform Act 2014
PTAD	Pension Transitional Arrangements Directorate

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
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 sustained its regulatory and supervisory activities in an open, transparent and consultative manner for the efficient functioning of the pension industry, particularly, in surveillance; compliance and enforcement; investments monitoring; and the maintenance of databank on pension matters.

2.1.1 Issuance of Guidelines and Regulations

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

(i) Revision of the Regulation on Fees Structure in the Pension Industry

The Commission implemented a downward review of the fees charged on the pension funds and payable to PFA/CPFAs, PFCs and PenCom. The regulation is in line with the efforts to reduce costs/charges to the pension funds and enhance returns to contributors and retirees.

(ii) Revised Fund Accounting Guidelines

The Fund Accounting Guideline is for the regulatory reporting of the financial statements of Pension Funds. All pension Operators are required to prepare books of accounts in accordance with the IFRS and in the manner required by the Financial Reporting Council of Nigeria (FRC).

(iii) Guidelines on Voluntary Contribution Under the Contributory Pension Scheme

The guidelines aim to ensure that the Voluntary Contributions are utilized for the purpose of enhancing future retirement benefits. It provides the procedure for making Voluntary Contributions, eligibility criteria and modalities for its withdrawals.

(iv) Implementation Guidelines on the RSA Multi Fund Structure

The guidelines provide guidance for PFAs in the establishment and operation of the various funds under the RSA Multi-Fund Structure.

(v) Framework and Guidelines for the Micro Pension Plan

The Commission has released the framework and guidelines for the implementation of the provisions of Section 2(3) through a “Micro Pension Plan”. The Micro Pension

Plan is an arrangement for the provision of pension to the self-employed and persons operating in the informal sector through the Contributory Pension Scheme.

The Commission initiated the Plan in order to bring the informal sector into the CPS. Undoubtedly, the informal sector accounts for a greater percentage of Nigeria's labour force, which unfortunately is often not covered by any social protection scheme. Thus, the Micro Pension Plan is designed to provide these workers with a veritable means of securing old age income with some incentives to recognise their peculiar characteristics and encourage participation by the target groups. The implementation of the framework is set to commence in 2019.

(vi) Framework on Pension Enhancement for Existing Retirees on Programmed Withdrawal under the Contributory Pension Scheme (CPS)

The Framework provides modalities for the implementation of periodic pension enhancement for retirees on Programmed Withdrawal (PW) under the CPS by using the surplus generated from the return on investment.

(vii) ICT Guidelines

The ICT guidelines provides minimum IT requirements for the licensed Pension Fund Administrators in Nigeria. The ultimate goal of the system is to guarantee the seamless payment of retirement and terminal benefits to retirees and contributors under the CPS. It is to provide a system that is robust, efficient and transparent in its entirety, based on principles required to assure the success of a Define Contribution Pension System.

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

2.1.2 Surveillance of the Pension Industry

In line with the Commission's regulatory mandate as contained in Section 92(1) of the Pension Reform Act (PRA) 2014, which empowers it to examine licensed Pension Operators at least once every year, the Commission conducted on-site/ special examinations as well as off-site examinations. These supervisory activities were carried out to foster a sound and sustainable pension industry.

(i) On-Site/Special Examinations of Licenced Operators

During the year under review, the Commission conducted routine examinations on all the 32 licensed Pension Operators, comprising 21 Pension Fund Administrators (PFAs), 7 Closed Pension Fund Administrators (CPFAs) and 4 Pension Fund Custodians (PFCs), using a new Risk Based Supervision (RBS) model. The new

approach is in line with the RBS methodology adopted by the Financial Services Regulation Coordinating Committee (FSRCC).

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

The Licensed Pension Operators rendered returns for the Funds under their management/custody as well as Company accounts to the Commission via the Risk Management & Analysis System (RMAS) for the year ended 31 December, 2018. The RMAS is a returns rendition application for the submission of periodic reports to the Commission by Licensed Pension Operators.

(iii) Compliance Reports

The Commission received and reviewed monthly compliance reports submitted by PFAs. The major issues observed from the review of the compliance reports were double PIN registration, un-credited pension contributions, high exposure to FGN bonds and treasury bills relative to net asset value, delay in the payment of retirement benefits as well as outstanding commitments from previous routine examination. Based on these observations, the Commission advised the concerned Operators through letters, which were effectively followed up to ensure resolution of the issues.

(iv) Risk Management

A review of the Risk Management reports submitted to the Commission by the Operators during the year revealed that some Operators were faced with operational risks associated with receipt of pension contributions without appropriate schedules from employers, litigations, portfolio investment concentration and non-funding of RSAs by employers. The affected Operators have been advised to further strengthen their management control processes to mitigate the identified risks.

(v) Review of Corporate Governance Reports

The Commission received the Corporate Governance Reports from the Pension Operators during the year under the review. Following a review of the reports, some key issues observed were: inadequate Board composition; non-submission of annual performance evaluation of the individual Directors; and inclusion of Executive Directors as members of the Board Audit Committee. In addition, Board and Committee meetings were held on the same day and some Directors were members of all the Board Committees. The Operators concerned have been directed to address the above issues.

(vi) Review of Actuarial Valuation Reports of Defined Benefit Schemes

The Commission reviewed the Actuarial Valuation Reports of Defined Benefit Schemes in order to ascertain their funding positions. In the case of Schemes with funding gaps, the Commission has written to the concerned Sponsors to come up with funding arrangements to defray the identified deficits.

2.1.3 Compliance and Enforcement Activities

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

During the year, the Commission conducted on-site inspection on two (2) Self-Funded Agencies namely: The Nigeria Security Printing and Minting Company Plc (NSPMC) and the National Insurance Commission (NAICOM). The inspection was to determine their compliance level with the provisions of the PRA 2014.

(ii) Issuance of Compliance Certificates

Pursuant to Section 2 of the Pension Reform Act 2014, the Commission continued the processing and issuance of Pension Compliance Certificates to compliant private sector organizations that applied. The Certificate is mandatory for companies bidding for Federal Government contracts as provided in the Public Procurement Act of 2007 and enforced by the Bureau of Public Procurement (BPP) in furtherance of its collaboration with the Commission.

During the year under review, the Commission received 16,536 applications for Compliance Certificates. Out of that number, 16,100 certificates were issued while 436 applications were rejected due to failure to fulfil eligibility requirements. The list of requirements as well as the companies issue with the Certificates during the year are on the Commission's website www.pencom.gov.ng

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

The Commission maintained the services of Recovery Agents (RAs) for the recovery of outstanding pension contributions and penalty from defaulting employers. The Agents were required to review the pension records of the employers in order to recover outstanding pension contributions with penalty.

During the year, the sum of ₦1,704,628,126.50 was recovered by the RAs. This brings the total recoveries made by the Agents from inception of the exercise in 2012 to date to ₦15,355,906,841.53 representing principal contribution ₦7,870,545,105.09 and

penalty of ₦7,485,361,736.44. These amounts have since been credited to the respective RSAs of the employees.

Additionally, the Commission filed cases against sixty-two (62) employers that failed to remit outstanding pension contributions and penalty as established by the Agents. The Commission has continued to record success with respect to these matters in court and many employers have requested to settle out of court.

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

As at 31 December, 2018, twenty four (24) States have enacted pension laws on the Contributory Pension Scheme (CPS) while six (6) States are at the bill stage. Three (3) States have, however, embarked on pension reform but chose to adopt the Contributory Defined Benefits Scheme (CDBS) and two (2) other States have drafted pension reform bills, based on the CDBS. Additionally, one (1) State has decided to continue with the Defined Benefits Scheme.

(vi) Update on Supervision of the Pension Transitional Arrangements Directorate (PTAD)

The Commission conducted the 2018 Routine Examination of PTAD, in line with the provisions of the Pension Reform Act (PRA), 2014. Furthermore, the Commission monitored the payment of pensions to Public Service Retirees under the Defined Benefit Scheme (DBS) through monthly statutory returns from PTAD. The Commission also followed up with PTAD on complaints from Pensioners and ensured that they were resolved.

2.1.4 Resolution Activities

(i) Update on NSITF Fund

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

During the year ended 31 December, 2018, one hundred and fifty (150) batches of NSITF transfer applications were received from Trustfund on behalf of 2,345 NSITF members. The Commission reviewed and conveyed concurrence to Trustfund for the transfer of ₦156,748,560.14 into Retirement Savings Accounts (RSAs) of 2,341 members. Thus, from 2009 (when the transfers begun) to December 2018, the sum of ₦9,717,509,261.98 had been transferred to the RSAs of 134,947 NSITF members.

b. Payment of Benefits

Lump Sum Payments

As at 31 December, 2018, Sixty-five (65) batches of applications were received from Trustfund on behalf of 378 NSITF members for payment of Lump-Sum. The Commission granted approval to Trustfund for the payment of ₦14,336,249.86 to 377 NSITF members. Thus, from November 2006 to date, ₦2,902,777,688.26 had been paid as Lump-Sum to 35,562 NSITF Members.

Monthly NSITF Pensions Payments

The Commission during the year granted concurrence to Trustfund for monthly pension payments totalling ₦299,314,073.60 to 3,528 NSITF Pensioners. Thus, from November 2006 to date, the total pension payment to NSITF Pensioners amounted to ₦4,381,332,652.94.

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 aforementioned regulations.

2.1.6 Databank on Pension Matters

(i) Enrolment of Federal Government Employees Due for Retirement in 2019

During the year under review, a total of 10,757 employees were enrolled during the 2018 annual verification/enrolment exercise of FGN employees across Nigeria. The exercise was conducted to enable the Commission to estimate the 2019 pension liabilities of FGN employees to foster appropriate budgetary appropriation.

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

A total sum of ₦80.1 billion was released into the RBBRF account by the Office of the Accountant General of the Federation for the period January to December 2018, for the payment of accrued rights. As at December, 2018, the Commission had processed and paid a total sum of ₦78.7 billion into the

Retirement Savings Accounts/Death Benefit Accounts of 19,250 Retirees beneficiaries for the 12 months period.

(iii) The Design and Development of the Enhanced Contributor Registration System (ECRS)

The Commission is working on resolving the inadequacies of the existing Contributor Registration System (CRS) through the development of an Enhanced Contributor Registration System (ECRS). The ECRS is an electronic platform for the submission of requests by Pension Fund Administrators (PFAs) for the registration of contributors and issuance of Personal Identification Numbers (PINs). The ECRS, which is being developed by an in-house team of ICT professionals, would provide a more dynamic and user friendly interface and fully address the issues identified with the CRS. The deployment of the ECRS is expected to greatly enhance the integrity of pension contributors' database and also provide a platform for the registration of Micro Pension Plan participants and Cross Border individuals.

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 and contributors. These include applications for 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. The approvals also include: benefit payments through programmed withdrawal (PW) and annuity, requests for death benefit claims and requests for payment of voluntary contributions (VC) to foreign nationals.

Other activities of the Department during the period include: review of Group Life Insurance Certificates, analysis of notifications on cases of missing persons, issuance of the Guideline on Voluntary Contribution, approval of requests for additional benefit payment, approval of requests for pension enhancement and organisation of pre-retirement workshop.

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 are exempted from the CPS. Furthermore, it supervised the Pension Transitional Arrangements 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. As part of efforts to increase the level of compliance with the provisions of the PRA 2014, the Commission held public awareness and interactive sessions on the Contributory Pension Scheme (CPS) with employees in Ministries, Departments and Agencies (MDAs).

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 2014.

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

2.2.4 Corporate Communications 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 the 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. The department had interactions with journalists and engaged in the publication of advertisements.

2.2.5 Corporate Responsibility & ServiCom Department

The Department is responsible for spearheading the Commission's Corporate Social Responsibility efforts. The department also manages 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 Director General's Office Department

The Director General's Office Department is responsible for Strategic Relationship Management with the Commission's relevant stakeholders including Governmental Institutions and Development Partners. The department also provides effective and efficient security, protocol and liaison services for the Commission.

2.2.7 Financial Planning Department

The department is tasked with the preparation, monitoring and analysis of the 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.

2.2.8 General Accounts 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 2018 and ensured best practices were adhered to on the physical control of the Commission's fixed assets.

2.2.9 Human Capital Management 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.

2.2.10 Information & Communication Technology Department

The Department continued to provide robust connectivity, secure internet and network services both within the Commission and with its external stakeholders. The Department also ensured the availability of ICT services through effective supervision of the data facilities and support services. It is also in the process of implementing the Information Security Management Systems (ISMS) with the aim of becoming ISO 27001 Certified. The Department had successfully replaced the Commission's current

website with a modern enterprise website that provides administrative and content control, user-friendly navigation across different desktop and mobile browsers and extensive multi-format content support.

2.2.11 Internal Audit Department

The Department conducted prepayment and post payment audits of the Commission's financial transactions. It also carried out revenue assurance, which ensures that all 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, 2018. These include; reconciliation of remittances of pension contributions made to PFAs/PFCs; Accrued Rights of retiring and deceased Federal Government employees and remittances of pension contributions by the Contributions & Bond Redemption Department; Prepayment Audit; Post-Payment Audit; Revenue Assurance, Departmental Audit, Asset Verification, Staff Audit; Security Audit; Price Intelligence; Store Audit; Diesel Usage; and audit of the operations of the Zonal Offices of the Commission.

2.2.12 Investment Supervision Department

The Department supervised the investment of pension fund assets through the review of daily portfolio valuation reports of the RSA Funds and reviewed the monthly reports of the CPFA, AES and other Legacy Funds. Furthermore, it ensured that pension fund assets were properly valued and complied with the Regulation on Valuation of Pension Fund Assets issued by the Commission.

2.2.13 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 Commission's Zonal Offices.

2.2.14 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, obtain their buy-in insights on their preferences for the Micro Pension Plan.

2.2.15 National Data Bank Management Department

The Department maintained a comprehensive database of retirees and contributors under the CPS. It championed the establishment of 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 also tasked with the responsibility of implementing the RSA transfer clearing module, which would facilitate the transfer of RSA from one PFA to another.

2.2.16 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).

2.2.17 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. During the year under review, the department monitored, analysed and maintained the statistics on the pension industry as well as drafted position papers for Management. In addition, it developed and presented papers at various sensitization and awareness campaigns and also managed the Commission's website as well the management of the Commission's Library, the development of the Commission's Quarterly and Annual Reports and monitored the implementation of both the Corporate and Pension Industry Strategies.

2.2.18 States Operations Department

The Department provided technical support in the implementation of the CPS by State Governments. Through the Commission's six Zonal Offices, one in each geo-political Zone, the Department provided services closer to stakeholders' notable- requests for compliance certificate, resolution of complaints and enquiries, awareness programs and engagement of State Governments in driving compliance with the CPS. The Department also carried out the maiden and routine inspections of Pension Boards and Bureaux in order 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 Houses of Assembly, employees and State labour officials on the workings of the CPS. This is

with the aim of driving the implementation of CPS in the States.

2.2.19 Surveillance Department

The Department examined all Licensed Operators within the period as well as conducted Special (Target) Examinations 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. Additionally, bi-monthly consultative meetings with licensed Operators in the Pension Industry were held during the year under review.

2.2.20 Commission Secretariat/Legal Advisory Services 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 enforcing the provisions of the PRA 2014 and ensuring the prosecution of defaulting employers that have failed to comply with the Act, the department managed pending cases, as well as potential litigations involving the Commission, directly and through appointed 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 in furtherance 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. Sensitization workshop on the CPS and new developments in the Pension Industry, especially the RSA Multi-Fund structure, which was organized for staff of the Federal Polytechnic Offa, Kwara State.

- ii. Training on the workings of the CPS for the management and staff of the Jigawa (States and Local Governments) Contributory Pension Scheme Board.
- iii. Sensitization workshops on the CPS for the staff of Pension Department of the National Judicial Council, Abuja.
- iv. Participation in the Pension Management Retreat for Pension Desk Officers in the FCT Area Councils and the Local Education Authorities from 7 – 9 March 2018 in Kaduna. The Retreat was organized by the FCT Area Council Staff Pension Board.
- v. Capacity building workshop for staff of the Edo State Pension Bureau.
- vi. Sensitization of the Board and Management staff of the Bayelsa State Pension Board.
- vii. Sensitization workshop for Pension Desk Officers of Federal Courts and Judicial Bodies.
- viii. Pre-retirement workshops for prospective retirees in 15 states of the Federation between 4 and 12 June, 2018.
- ix. Workshops on the CPS for Managed Healthcare Services Limited (MHSL) and the Association for Senior Civil Servants of Nigeria (ASCSN).
- x. Training workshop on the workings of the CPS for the joint Union of Plateau State owned Tertiary Institutions (JUPTI) to address their concerns on the draft pension bill on the CPS.
- xi. Interactive forum on pension issues for the Nigeria Deposit Insurance Corporation (NDIC) staff across the six (6) geopolitical zones.
- xii. Training workshop for the Board and Top Management staff of Delta State and Local Government Pension Bureaux.
- xiii. Workshop on returns rendition for Compliance Officers of Pension Fund Administrators and Desk Officers in charge of returns rendition on remittances from States and Local Governments.
- xiv. Sensitization workshops for members of the Bauchi State House of Assembly, employees of Oyo state Government, Labour Leaders in Gombe State and employees of the Electricity Distribution Companies in Delta, Edo, Ekiti and Ondo states.

- xv. The quarterly Consultative Forum for FCT/State Pension Bureaus held in each quarter of 2018.
- xvi. Participation in four (4) Trade Fairs; Enugu International Trade Fair between 16 and 26 March, 2018; Abuja International Trade Fair between 26 September and 10 October, 2018; Lagos International Trade Fair between 2 and 10 November, 2018 and the 14th Port Harcourt International Trade Fair between 8 and 20 December, 2018.
- xvii. Public awareness/interactive sessions on the CPS with employees in Ministries, Departments and Agencies.
- xviii. Sensitization of Pension Desk Officers; NACA House, Lagos.
- xix. Sensitization of the Integrated Personnel and Payroll Information Systems (IPPIIS) Officials at Grace Point Resort Hotel, Abuja and Zen Garden, Lagos.

2.3.2 Collaborative Activities

The Commission continued to collaborate with domestic and international organizations on the following activities during the year:

- i. Continuation of the Pension Courses in Ahmadu Bello University, which commenced in the 2017/2018 academic session as well as a Memorandum of Understanding signed with University of Lagos.
- ii. Collaboration with other regulators in the Financial Industry under the Financial Inclusion of the Central Bank of Nigeria, FSS 2020 and the FSRCC.

2.3.3 Membership of International Organizations

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

PART THREE

THE PENSION INDUSTRY

3.1 The Operating Environment

3.1.1 Macroeconomic Developments

The macroeconomic environment witnessed positive economic activities and greater stability with the year ending strongly despite the oil price volatilities. The Gross Domestic Product (GDP) grew by 2.38 percent in real terms (year-on-year) in the fourth quarter of 2018 with a rally round performance to end the year under review at 1.93 percent real GDP growth¹. The economic performance represents a real growth of 1.11 points over the growth recorded in 2017. This is perhaps the strongest growth since the emergence from the economic recession in 2017 when growth was 0.8% according to the IMF (International Monetary Fund). Similarly, the aggregate nominal GDP grew by 10.06 percent to stand at ₦127.76 trillion compared to ₦114.91 trillion in the previous year. The oil sector growth dropped by 75.69 percent in 2018 compared to the growth of 4.79 percent recorded in the preceding year. The contribution to the GDP decreased by 0.07 percentage points from 8.67 percent recorded in 2017 to stand at 8.60 percent in the period under review. The non-oil sector recorded 2.00 percent growth, representing 1.53 percentage points more than 0.47 percent of 2017. The non-oil sector contributed 91.40 percent to country's GDP.

The Consumer Price Index witnessed a reduction for the second consecutive year with the inflation rate closing at 11.44 percent at the end of the year under review, compared to 15.37 percent and 18.55 percent recorded for the corresponding periods of the 2017 and 2016 respectively². Similarly, the 12 months' average figure in the year under review (12.10 percent) indicated a decline compared to the 16.50 percent 12 months' average figure recorded in the preceding year. The drop in the inflation rate could be explained by the stability in the foreign exchange rate and the economic recovery. This development is positive for the retiree's purchasing power.

3.1.2 Developments in the Stock Market

The Nigerian capital market closed the year under review on a bearish note, after starting with a bullish run that was influenced by the performance of the preceding year. Despite a ten-year peak of 45,092.83 points recorded in All share index in January, 2018³. The weaker performance in 2018 saw the NSE-ASI return a negative rate of return of 17.81 percent, compared to a gain of 42 percent in 2017. The half year

¹ NBS GDP Q4 & Full Year 2018

² NBS CPI December, 2018

³ NSE Market indices December, 2018

performance of pension fund investment was impacted by stock market performance in Q2:2018, as reflected by the Nigerian Stock Exchange All Share Index, which recorded a negative return of 7.77 percent in Q2:2018, compared to the positive return of 8.53 percent recorded in Q1: 2018.

The market capitalization was down by 4.45 percent from N22.92 trillion in 2017 to close at N21.90 trillion in the reporting period⁴. All the NSE market indices recorded negative performances reflecting the mood of the market. The NSE Industrial index had a negative return of 14.80 percent in 2018, followed by NSE ASeM index and NSE Consumer Goods Index, which recorded negative returns of 13.25 percent and 6.92 percent respectively. The NSE Oil/Gas Index was the most impacted with a negative return of 60.01 percent, while the NSE Pension Index recorded a negative return of 13.49 percent. Total equity market capitalization recorded a negative growth of 13.88 percent from the previous year (N13.62 trillion) to close at N11.73 trillion as at the end of 2018.

The performance of the market mirrored the bearish global market performance. Oil price volatility and political risks also influenced the performance of the market in the year under review.

3.1.3 Developments in the Bond Market

The bond market capitalization increased by N875.33 billion from N9.29 trillion in the previous year to N10.17 trillion in 2018, representing 9.47 percent increase. Overall, the fixed income market turnover increased by over 20 percent from 2017 (N9.96 trillion) to N11.98 trillion in 2018.

The Federal Government of Nigeria (FGN) dominated the market having issued a second tranche of its Sovereign Sukuk in December 2018, valued at N100 billion, which was fully subscribed. The proceeds of the Sukuk were to be deployed for the construction and rehabilitation of major roads in the country. The Sukuk was issued at a yield of 15.74 percent and would mature in 2025. The FGN had three (3) new bond auctions of 5, 7 and 10 year tenors worth N110 billion with more than 42 percent oversubscriptions and 31 bond re-openings worth N930 billion. During the year, the FGN raised a total N1.16 trillion to finance fiscal and infrastructure deficits. State Governments also raised N125.59 billion in new debt, while the corporate institutions raised a total of N31.47 billion⁵.

⁴ NSE Market Capitalisation December, 2018

⁵ DMO December, 2018

3.1.4 Developments in the Money Market

The Central Bank of Nigeria (CBN) sustained a tightening stance in 2018 since raising the Monetary Policy Rate (MPR) to 14 percent in 2016 as part of price stabilization measure of the monetary policy. Similarly, the Cash Reserve Ratio (CRR) on private sector deposit remained 22.5 percent, same as the previous year.

The monetary indicators showed mixed results from the restrictive monetary policy of the CBN. This was evident with rates on deposits of various maturities closing at a range of 8.79 - 10.08 percent in the period under review compared to a range of 4.08 – 11.14 percent in the previous year. The interbank rates closed at 22.68 percent, up from 9.49 percent recorded in 2017. The prime and maximum lending rates closed at 16.17 percent and 30.52 percent respectively at the end of 2018⁶.

3.2 Licensing of Operators

There was no new licence issued by the Commission in 2018, thus the number of pension Operators has reduced to 31 as UNICO CPFA Limited, one of the Closed Pension Fund Administrators, relinquished its licence and transferred the pension funds to the RSAs with various PFAs selected by the employees. A breakdown of the Pension Fund Operators is given in Table 3.1.

Table 3.1: Number of Pension Operators as at 31 December, 2018

Pension Operators	2011	2012	2013	2014	2015	2016	2017	2018
Pension Fund Administrators	24	20	20	21	21	21	21	21
Pension Fund Custodians	4	4	4	4	4	4	4	4
Closed Pension Fund Administrators	7	7	7	7	7	7	7	6
Total	35	31	31	32	32	32	32	31

3.3 Membership of Pension Schemes

The total membership of pension schemes increased by 7.36 percent from 7,888,559 as at 31 December, 2017 to 8,469,257 as at 31 December, 2018. Membership of RSA scheme dominated total pension scheme memberships at 8,410,184 representing 99.30 percent, while the AES and the CPFAs accounted for the balance of 0.70 percent (40,951 and 18,122 respectively) of the total pension schemes membership.

⁶ CBN Money Market Indicators December, 2018

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 7,823,911 in 2017 to 8,410,184 in 2018, representing an increase of 7.49 percent. The private sector accounted for a larger proportion of total registration in 2018 at 4,800,834 which was 57.08 percent of the RSA registrations. A graphical presentation of public/private sector memberships of RSA is presented in Figure 3.1.

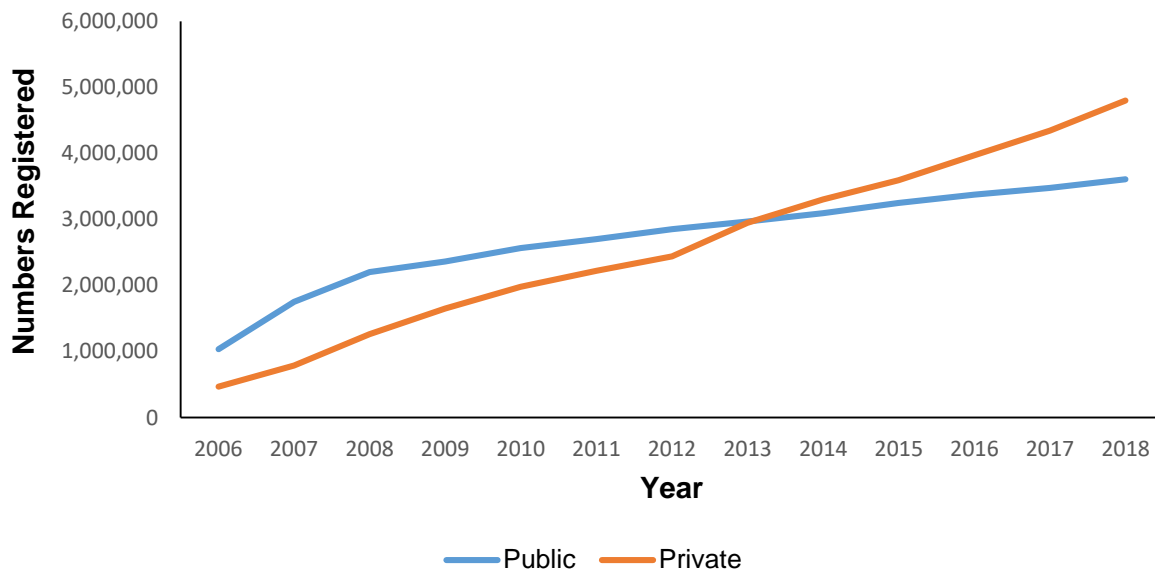


Figure 3.1: RSA Registration by Sector

A further review of Figure 3.1 shows that the total number of registered RSA holders increased in both the public and private sectors from inception to date. However, the rate of increase in the private sector 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 to recover outstanding pension contributions from private sector employers as well as interest penalties on the outstanding contributions and also to 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 2018 as shown

in Table 3.2. This age category accounted for 36.27 percent of RSA holders during the period under review. RSA holders in the age bracket “40-49 years” accounted for 27.93 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 2018 constituting 64.20 percent of the total RSA registrations.

Table 3.2: RSA Registrations as at 31 December, 2018

Age Bracket	Public Sector		Private Sector		Total		Grand Total	Weight (%)
	Male	Female	Male	Female	Male	Female	Number	
Less than 30 yrs.	92,146	50,744	434,536	226,469	526,682	277,213	803,895	9.56
30 - 39 yrs.	699,052	353,531	1,428,686	569,073	2,127,738	922,604	3,050,342	36.27
40 - 49 yrs.	661,128	403,449	994,954	289,474	1,656,082	692,923	2,349,005	27.93
50 - 59 yrs.	571,858	330,075	507,172	102,914	1,079,030	432,989	1,512,019	17.98
60 - 65 yrs.	221,090	90,917	140,744	17,914	361,834	108,831	470,665	5.60
Above 65 yrs.	105,917	29,443	80,793	8,105	186,710	37,548	224,258	2.67
Total	2,351,191	1,258,159	3,586,885	1,213,949	5,938,076	2,472,108	8,410,184	100.00

The implication of the foregoing is that RSA holders are relatively young, thus providing ample opportunity for investing pension funds in relatively long-term investments such as alternative assets, without the risk of investment mismatch.

It is expected that RSA registration will continue to grow as the Micro Pension Plan kicks-off in 2019 and increased participation by the organized private sector in view of compliance efforts of the Commission and the marketing strategies of the PFAs.

3.3.2 Memberships of CPFAs and AES

The memberships of CPFAs and AES were 18,122 and 40,951 as at 31 December, 2018 as shown in Tables 3.3 and 3.4 respectively. There were remarkable reductions in the membership of the CPFAs over the period 2017 and 2018 due to the exit of UNICO CPFA. The asset of the members of UNICO were moved to the RSA fund after it relinquished its operational license and exited the pension business.

Table 3.3: Membership of CPFA in 2018

Enrolment Type	2017		2018	
	Number	% of Total	Number	% of Total
Active Members	16,846	71.09	12,359	68.20
Current pensioners	6,224	26.26	5,719	31.56
Deferred Pensioners	627	2.65	44	0.24
Total	23,697	100.00	18,122	100

Table 3.4: Membership of AES in 2018

Enrolment Type	2017		2018	
	Number	% of Total	Number	% of Total
Active Members	24,255	59.23	24,255	59.23
Current pensioners	15,313	37.39	15,313	37.39
Deferred Pensioners ¹	149	0.36	149	0.36
Dependants ²	1,234	3.01	1,234	3.01
Total	40,951	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 Public and Private sectors amounted to ~~N~~607.56 billion as shown in Tables 3.5 and 3.6. The public sector accounted for ~~N~~266.84 billion, which represents 43.92 percent of total pension contributions in the year, while the private sector accounted for ~~N~~340.72 billion, which represented 56.08 percent of the total contributions. Accordingly, total pension contributions had cumulatively grown to ~~N~~5,094.88 billion as at 31 December 2018. This was made up of ~~N~~2,564.41 billion contributions from the public sector, which represented 50.33 percent of total contributions and ~~N~~2,530.47 billion from the private sector, which represented the remaining balance of 49.67 percent.

Table 3.5: Public Sector Pension Contributions as at December 2018

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	4.30
2009	137.1	5.90
2010	162.46	7.07
2011	228.92	9.90
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
2018	266.84	10.41
Total	2,564.41	100.00

The accumulated contributions from the public sector increased from ₦2,297.30 billion in 2017 to ₦2,564.41 in 2018, representing an increase of 11.62 percent.

Table 3.6: Private Sector Pension Contributions as at December 2018

Year	Amount (N Billion)	Percentage of Total
2006	23.03	0.91
2007	68.34	2.70
2008	80.81	3.19
2009	91.21	3.60
2010	103.03	4.07
2011	119.53	4.72
2012	159.52	6.30
2013	225.42	8.91
2014	343.89	13.59
2015	358.91	14.18
2016	262.33	10.37
2017	353.73	13.98
2018	340.72	13.46
Total	2,530.47	100.00

Similarly, the accumulated private sector pension contribution recorded an increase of 15.56 percent as it moved from ₦2,189.75 billion in 2017 to ₦2,530.47 billion in 2018.

3.5 Pension Funds Portfolio Analysis

3.5.1 Industry Portfolio Analysis

The total value of Pension Fund Assets (based on unaudited valuation reports) was ₦8.64 trillion as at 31 December 2018. This represented a net growth of ₦1.12 trillion (15 percent) from ₦7.51 trillion on 31 December 2017. The growth resulted primarily from monthly inflows of pension contributions, which averaged ₦50 billion per month, into the RSA Funds and investment incomes.

The implementation of the Multi-Fund Structure for RSA Funds took effect in July 2018, which led to the creation of two (2) additional Funds, bringing the total RSA Funds to four (4). The table below gives a breakdown of the various Fund types and their respective assets allocation as at 31 December 2018.

Table 3.7: Pension Fund Portfolio as at 31 December 2018

Asset Class	RSA				AES	CPFA	Total	
	Fund I	Fund II	Fund III	Fund IV				
	Amount (N'Bn)	Amount (N'Bn)	Amount (N'Bn)	Amount (N'Bn)	Amount (N'Bn)	Amount (N'Bn)	Amount (N'Bn)	Weight (%)
Quoted Ordinary Shares	0.76	401.05	85.81	6.65	79.18	32.8	606.25	7.02
FGN Securities	5.351	2828.45	1698.02	502.35	638.8	640.13	6313.101	73.09
State Govt. Securities	0.073	68.05	30.52	12.11	13.74	14.23	138.723	1.61
Corporate Debt Instruments	0.82	168.15	70.43	46.49	41.05	141.73	468.67	5.43
Money Market Instruments	0.65	312.57	172.2	105.71	84.77	33.25	709.15	8.21
Open/Close - Ended / Hybrid Funds	0	11.81	0.84	0	1.53	9.85	24.03	0.28
Supranational Bonds	0	2.84	0.64	2.19	0	1.24	6.91	0.08
Private Equity Funds	0	18.61	0	0	0.09	12.65	31.35	0.36
Infrastructure Funds	0.1	13.72	0	0	0.64	4.05	18.51	0.21
Real Estate Properties	0	0	0	0	109.41	122.1	231.51	2.68
*Foreign Investments	0	0	0	0	0	59.07	59.07	0.68
i. Foreign Equities	0	0	0	0	0	55.86	55.86	0.65
ii. Foreign Money Market Securities	0	0	0	0	0	3.21	3.21	0.04
Cash & other Assets	0.15	1.09	5.77	8.35	8.72	6.47	30.55	0.35
Net Asset Value	7.90	3,826.34	2,064.23	683.85	977.93	1,077.57	8,637.82	100.00

Table 3.7 indicated that investments were predominantly in Federal Government Securities (FGN Bonds, Treasury Bills and Agency Bonds), which accounted for about 73 percent of total pension fund assets, an increase of 3 percent from the 70 percent allocation as at 31 December, 2017. This was due to several factors, such as subdued investor sentiment that characterized the financial markets leading up to the general elections in 2019. These prompted pension operators to adopt a ‘flight to safety’ strategy by investing in FGN Securities pending the outcome of elections and a clearer view of the direction of macro/micro economic policy.

Table 3.8 below gives a breakdown of assets allocation as at 31 December 2018 as well as comparative figures for 2017.

Table 3.8: Portfolio of RSA ‘Active’ Funds as at 31 December 2018 and Corresponding Figures for 31 December 2017

S/N	Asset Class	Total				Variance Between (2017 and 2018)	
		As at 31/12/2018		As at 31/12/2017		Amount N'Billion	Weight (%)
		Amount N'Billion	Weight (%)	Amount N'Billion	Weight (%)		
1	Quoted Ordinary Shares	606.25	7.02	672.00	8.94	-65.75	-9.78
2	FGN Securities	6,313.10	73.09	5,292.00	70.43	1,021.10	19.30
3	State Govt. Securities	138.72	1.61	152.40	2.03	-13.68	-8.98
4	Corporate Debt Instruments	468.67	5.43	268.12	3.57	200.55	74.80
5	Money Market Instruments	709.15	8.21	681.35	9.07	27.80	4.08
6	Mutual Fund	24.03	0.28	24.99	0.33	-0.96	-3.84
7	Supranational Bonds	6.91	0.08	11.43	0.15	-4.52	-39.55
8	Private Equity Funds	31.35	0.36	25.44	0.34	5.91	23.23
9	Infrastructure Funds	18.51	0.21	5.72	0.08	12.79	223.60
10	Real Estate Properties	231.51	2.68	205.33	2.73	26.18	12.75
11	Foreign Investments						
	i. Foreign Equities	55.86	0.65	104.61	1.39	-48.75	-46.60
	ii. Foreign Mkt. Securities	3.21	0.04	35.39	0.47	-32.18	-90.93
13	Cash & other Assets	30.55	0.35	35.10	0.47	-4.55	-12.96
	Net Asset Value	8,637.82	100.00	7,513.88	100.00	1,123.94	14.96

As noted earlier, investments were predominantly in FGN Securities, which comprised bonds and treasury bills as well as bonds guaranteed by the FGN (agency bonds), Sukuk and green bonds. Similarly, investments in corporate bonds increased significantly by N200 billion (75%) during the period under review due to new corporate

issues in during the year.

Also, there were maturities of several corporate bonds, State Government bonds as well as the IFC naira denominated bond in 2018. Pension Funds also increased investments in infrastructure via Infrastructure Bonds and Funds.

3.6 Analysis of Portfolio of RSA ‘Active’ Funds

The Commission commenced implementation of the Multi-Fund Structure for RSA Funds with effect from 1 July, 2018. Accordingly, the RSA ‘Active’ Fund was split into 3 Funds, namely: Funds I, II and III, while the Retiree Fund was renamed ‘Fund IV’. The RSA Fund II was designated the default Fund upon commencement, and individual RSA contributors were requested to make choices to remain in the default Fund or move their RSA balances to one of the newly created Funds, subject to restrictions imposed by the Regulation on Investment of Pension Fund Assets (the Regulation). Similarly, contributors who were 50 years and above on the date of commencement were moved automatically to Fund III.

This development, therefore, necessitated the review of the RSA Funds for 2018 to be in three parts:

- a) Part One: Review of RSA ‘Active’ Fund (January to June 2018);
- b) Part Two: Review of RSA Funds I, II, III (July to December 2018); and
- c) Part Three: Review of RSA Fund IV (January to December 2018).

Table 3.9: Portfolio of RSA ‘Active’ Fund January to June 2018

ASSET CLASS	Portfolio Limit	As at 30 Jun 2018		As at 31 Dec 2017		Variance Btw Jun 2018 & 2017	
		Mkt Value N Billion	Weight %	Mkt Value N Billion	Weight %	Mkt Value N Billion	%
Quoted Ordinary Shares	25	566.39	10.24%	509.66	10.06%	56.73	11.13%
Federal Government Securities:	80					-	
i. FGN Bonds		2,950.57	53.36%	2,996.55	59.16%	(45.98)	-1.53%
ii. Treasury Bills		1,086.78	19.65%	686.63	13.56%	400.15	58.28%
iii. Agency Bonds		7.57	0.14%	5.14	0.10%	2.43	47.28%
iv. Sukuk		56.73	1.03%	54.94	1.08%	1.79	3.26%
v. Green Bond		7.42	0.13%	7.19	0.14%	0.23	3.20%
State Government Bond	20	106.78	1.93%	109.22	2.16%	(2.44)	-2.23%
Corporate Debt Securities	35					-	
i. Corporate Bonds		171.02	3.09%	155.49	3.07%	15.53	9.99%
ii. Infrastructure Bonds		6.81	0.12%	5.90	0.12%	0.91	15.42%
Money Market Instruments	35					-	
i. Bank Placements		424.73	7.68%	408.51	8.06%	16.22	3.97%
ii. Commercial Papers		82.15	1.49%	67.47	1.33%	14.68	21.76%
Mutual Funds:	20					-	
i. Open/Closed-End Funds		5.62	0.10%	5.20	0.10%	0.42	8.08%
ii. REITs		8.86	0.16%	9.38	0.19%	(0.52)	-5.54%
Supranational Bonds	20	4.16	0.08%	6.10	0.12%	(1.94)	-31.80%
Private Equity Funds	5	16.40	0.30%	14.16	0.28%	2.24	15.82%
Infrastructure Funds	5	8.60	0.16%	3.96	0.08%	4.64	117.17%
Cash & Other Assets		19.06	0.34%	19.82	0.39%	(0.76)	-3.83%
Net Asset Value		5,529.65	100.00%	5,065.32	100.00%	464.33	9.17%

The Net Assets Value (NAV) of the pension fund assets in the RSA ‘Active’ Funds amounted to ~~N~~5.53 trillion as at 30 June, 2018. This represented a net growth of ~~N~~464 billion (9%), as it increased from ~~N~~5.07 trillion on 31 December, 2017 to N5.53 trillion as at 30 June, 2018. These figures were exclusive of ~~N~~42.71 billion as at 30 June, 2018 and ~~N~~47.31 billion as at 30 June, 2017, which represented balances invested with Central Bank of Nigeria (CBN) in respect of contributions of FGN Treasury Funded workers awaiting transfers to their respective RSAs.

3.6.1 Sources of Portfolio Growth / Diminution

The investment of RSA ‘Active’ Fund witnessed a net growth of ~~N~~464.33 billion in the first half of 2018 (January to June) as shown in Table 3.10 below:

Table 3.10: Sources of Portfolio Growth RSA "Active" Fund as at 30 June 2018

S/N	Sources of Portfolio Growth	Jan to Jun 2018 Amount (N'Bn)	Jan to Jun 2017 Amount (N'Bn)	Variance Btw Jun 2017 & Jun 2018 Amount (N'Bn)
1.	New Inflow of Funds • Contributions	300.24	334.98	(34.74)
2.	Investment Income • Interests/Coupons • Dividends • Net Realized Gains/ (Losses) on Equities & Bonds	334.46 35.32 24.09	291.25 14.35 0.65	43.21 20.97 23.44
3.	Net Unrealized Gains/ (Losses) on Quoted Equities/Equity Funds	(11.78)	78.35	(90.13)
4.	Benefits Paid / Transfers to Retiree Fund	(162.65)	(181.90)	19.25
5	Asset Based Fees (and VAT)	(55.35)	(49.99)	(5.36)
	Total	464.33	487.69	(23.36)

(i) Contributions Received

The monthly pension contributions received in the first half of 2018 was ~~N~~300.24 billion which was a reduction of ~~N~~34 billion compared to the total contributions received in the first half of 2017. The slightly lower figure was mainly due to lower remittances in respect of FGN treasury funded workers. Average monthly contributions amounted to ~~N~~50 billion.

(ii) Interests/Coupons Earned

The total interest/coupon received on investments on fixed income securities totalled ~~N~~334.46 billion in the first half of 2018, higher than the sum of ~~N~~291.25 billion recorded in the first half of 2017. The increase in the value of interest/coupon received was attributed to increase in the absolute value of investments in 2018 relative to 2017. Dividend totalling ~~N~~35.32 billion was received in the first half of 2018, this was higher than receipts of ~~N~~14.35 billion in the first half of 2017.

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

The total unrealized losses on the RSA 'Active' Fund in the first of half of 2018 amounted to ~~N~~11.78 billion, compared to un-realized gains of ~~N~~78.35 billion recorded in the first of half of 2017. The year started very promising with the RSA Fund recording unrealized gains of ~~N~~53.47 billion in the first quarter of 2018, but was subsequently reversed by unrealized losses of ~~N~~65.25 billion in the second quarter of 2018. A

significant proportion of unrealized losses were attributed to ordinary share holdings in the consumer goods, financial services and industrial goods sub-sectors that recorded diminution in prices in the second quarter of 2018.

(iv) Net Realized Gains on Equities and Bonds

The net realized gains on sales of equities and bonds amounted to ₦24.09 billion, higher than realized gains of ₦0.65 billion, recorded in the first half of 2017. This was mainly attributed to the decrease in yields experienced in the first half of 2018, which provided opportunities for profit taking by PFAs.

(iv) Transfers to RSA Retiree Fund / Benefits Payments

Total payments from the RSA 'Active' Fund amounted to ₦162.65 billion in H1:2018. This represented pension benefits payments, transfers to RSA Retiree Funds, and payment of 25% temporary unemployment benefits.

3.6.2 Portfolio Performance

The Weighted Average Rate of Return (WARR) on the RSA 'Active' Funds in H1:2018 was 12.89 percent (annualized), which was a lower performance when compared with the annualized return of 15.85 percent recorded in H1:2017. The half year performance was impacted by stock market decline in the second quarter of 2018, as reflected by the Nigerian Stock Exchange All Share Index, which recorded a negative return of 7.77 percent in the second quarter of 2018, compared to the positive return of 8.53 percent recorded in the first quarter 2018.

The yields/interest rates on FGN Bonds, Treasury Bills and Money Market placements started declining towards the end of the first quarter. The yields on FGN Bonds ranged between 11.58 percent per annum and 13.20 percent per annum for maturities between 5 years and 20 years. Similarly, yields on Treasury Bills ranged between 12 percent per annum and 14 percent per annum across the 91–364 days' tenor; while bank placement rates ranged between 12.50 percent per annum and 13.50 percent per annum, depending on the tenor.

3.6.3 Analysis of RSA Funds (July to December 2018)

The Net Assets Value (NAV) of the RSA Funds was ₦5.87 trillion as at 31 December, 2018, broken into RSA Fund I (₦7.9 trillion); RSA Fund II (₦3.80 trillion); and RSA Fund III (₦2.07 trillion). Major investments were in FGN Securities (₦4.50 trillion), representing 76% of total portfolio value. Other significant investments were in Ordinary Shares (₦487 billion, 8%); and Money Market Instruments (₦485 billion, 8%).

Table 3.11 Portfolio Mix of RSA Fund I, II and III as at 31 December 2018

ASSET CLASS	Fund I			Fund II			Fund III			Total	
	Portfolio Limit (%)	Mkt Value N Billion	Weight %	Portfolio Limit (%)	Mkt Value N Billion	Weight %	Portfolio Limit (%)	Mkt Value N Billion	Weight %	Mkt Value N Billion	Weight %
Quoted Ordinary Shares	30	0.76	9.61	25	401.05	10.56	10	85.81	4.15	487.62	8.3
Federal Government Securities:		-									
i. FGN Bonds	60	2.20	27.83	70	2,082.61	54.85	80	1,230.79	59.50	3,315.60	56.45
ii. Treasury Bills		3.15	39.85		651.46	17.16		438.56	21.20	1,093.17	18.61
iii. Agency Bonds		-	0.00		8.30	0.22		2.13	0.10	10.43	0.18
iv. Sukuk		0.001	0.01		53.83	1.42		22.39	1.08	76.221	1.30
v. Green Bond		-			2.78	0.07		4.15	0.20	6.93	0.12
State Government Bond	10	0.073	0.92	15	68.05	1.79	20	30.52	1.48	98.643	1.68
Corporate Debt Securities											
i. Corporate Bonds	35	0.81	10.25	40	162.64	4.28	45	68.74	3.32	232.19	3.95
ii. Infrastructure Bonds		0.01	0.13		5.51	0.15		1.69	8.17	7.21	0.12
Money Market Instruments											
i. Bank Placements	30	0.35	4.43	30	262.39	6.91	35	155.79	7.53	418.53	7.13
ii. Commercial Papers		0.30	3.80		50.18	1.32		16.41	0.79	66.89	1.14
Mutual Funds:											
i. Open/Closed-End Funds	25	-	0.01	20	5.12	0.13	10	0.63	0.03	5.7505	0.10
ii. REITs		-	0.00		6.69	0.18		0.21	0.01	6.90	0.12
Supranational Bonds	20	-	0.00	20	2.84	0.07	20	0.64	0.03	3.48	0.06
Private Equity Funds	10	-	0.00	5	18.61	0.49	0	-	0.00	18.61	0.32
Infrastructure Funds	10	0.10	1.27	5	13.72	0.36	0	-	0.00	13.82	0.24
Cash & Other Assets		0.15	1.90		1.09	0.03		9.98	0.48	11.22	0.19
Net Asset Value		7.90	100.00		3,796.87	100.00		2,068.44	100.00	5,873.21	100.00

3.6.4 Sources of Portfolio Growth / Diminution

The sources of the net portfolio growth in the RSA Funds I, II and III for the period July to December 2018 is presented in the table below.

Table 3.12: Sources of Portfolio Growth - RSA "Active" Fund as at 31 December 2018

S/N	SOURCES OF PORTFOLIO GROWTH	Fund I	Fund II	Fund III	Total
		AMOUNT (=N=Million)	AMOUNT (=N=Million)	AMOUNT (=N=Million)	AMOUNT (=N=Million)
1	New Inflow of Funds • Contributions	8,614.11	204,802.07	2,115,022.50	2,328,396.86
2	Investment Income				
	• Interests/Coupons	312.26	222,501.48	125,110.14	347,923.88
	• Dividends	7.54	6,202.46	1,293.90	7,503.90
	• Net Realized Gains/ (Losses) on Equities & Bonds	(0.74)	2,911.43	(1,487.06)	1,423.63
3	Net Unrealized Gains/ (Losses) on Quoted Equities/Equity Funds and Bonds	(21.19)	(106,403.23)	(19,358.33)	(125,739.71)
4	Benefits Paid / Transfers to Retiree Fund	(28.70)	(2,036,567.07)	(141,694.41)	(2,178,290.18)
5	Asset Based Fees (and VAT)	(73.55)	(56,530.29)	(19,764.20)	(76,368.04)
	Net Growth	8,809.73	(1,763,083.15)	2,059,122.54	304,850.34

(i) Contributions Received:

A total of ~~N~~2.33 trillion was received by the Funds in the second half of 2018. This represented pension contribution received by the various Funds as well as transfers between the Funds. Upon commencement of the Multi-Fund Structure, funds were transferred from Fund II (previously the RSA 'Active' Fund) to Fund III, in respect of contributors who had attained the age of 50 years on commencement date. Similarly, funds were transferred to Fund I and Fund II, based on requests made by individual contributors.

Fund I: Total funds transferred to Fund I from Fund II was ~~N~~8.61 billion as at 31 December, 2018. This represented monthly pension contributions and income earned from investments in respect of individuals that had opted to move to Fund I. It was noted that membership numbers in Fund I are still relatively low across the PFAs. However, these numbers are expected to increase as the impact of the public sensitization takes effect and contributors become better informed about the benefits and risks related to investing contributions in Fund I.

Fund II: Total contributions received during the period amounted to ~~N~~204.80 billion, a reduction of N96 billion from the value of ~~N~~300 billion received in the first half of 2018. This was due to the movement of contributions of individuals that had moved to Fund I and III.

Fund III: The total receipts in Fund III as at 31 December 2018, was ₦2.12 trillion. This represented transfers from Fund II at the commencement of the Multi-Fund Structure in July 2018 as well as monthly contributions for the six-month period.

(ii) Interest/Coupons and Dividends:

Fund I: Total interest/coupon received was ₦312.26 million. The Fund's assets were predominantly in fixed income securities (average of 91%) over the six-month period but had gradually reduced as new investments were made in variable income securities. This situation is understandable as the Funds commenced investment activities in July 2018 and have been gradually diversifying the Fund's assets into other asset classes. Total dividend received was ₦7.54 million.

Fund II: Interest/coupon received for the half year was ₦222.50 billion, while dividend received was ₦6.20 billion. The interest/coupon received in the second half represented 66 percent of total interest/coupon received during the first half of 2018, prior to the creation of the Multi-Fund and movement of pension assets to Funds I and III.

Fund III: Total interest/coupon received on Fund III was ₦125.11 billion, while dividends were ₦1.29 billion.

(iii) Net Realized Gains/(Losses) on Equity & Bonds:

The net realized gain on disposal of equities and bonds in the Fund investment portfolios amounted to ₦1.42 billion. This was mainly attributed to realized gains in Fund II of ₦2.91 billion, while Funds I and III recorded realized losses of ₦740,000 and ₦1.49 billion, respectively.

(iv) Net Un-realized Gains on Equities and Equity Funds:

Fund I: Fund I recorded net unrealized losses of ₦21.19 million mostly from investments in equities. There were unrealized losses that persisted for most of the year up to December 2018, when an increase in prices of most of the stocks in the equity portfolio resulted in net unrealized gains in the month of December, 2018. However, this could not reverse the accumulated unrealized losses incurred between July and November 2018.

Fund II: Net unrealized losses were ₦106.40 billion as at 31 December, 2018. The Fund recorded unrealized losses of ₦115 billion up to November, 2018 but recorded slight gains of ₦8.64 billion in the month of December 2018. The unrealized losses were mostly from positions in equities.

Fund III: Fund III recorded unrealized losses of ₦19.36 billion as at 31 December, 2018. The Fund had recorded unrealized losses in the five months up to November 2018 but recorded unrealized gains of ₦3.35 billion in December 2018, due to a resurgence in the prices of stocks in the portfolio.

(v) Benefits Payments and Transfers

Fund I: Total payments amounted to ₦28.70 million as at 31 December, 2018. This represented payments in respect of temporary unemployment benefits (25 percent of RSA Balance) and transfers to Fund II in respect of some contributors who had requested to move back to Fund II from Fund I.

Fund II: The total payments from Fund II amounted to ₦2.04 trillion. The bulk of this transfer was to Funds I and III upon commencement of the Multi-Fund Structure for RSA Funds as well as transfers to Fund IV in respect of individuals that retired in 2018.

Fund III: Total benefit payment was ₦141.69 Billion as at 31 December, 2018. The bulk of the transfers were to Fund IV in respect of individuals that retired within the six-month period after the creation of Fund III.

3.6.5 Portfolio Performance

Table 3.13: Annualized Performance of RSA Funds I, II and III

Fund	Fund I	Fund II	Fund III
Rate of Return (Annualized)	7.43%	4.63%	7.71%

Fund I: The Weighted Average Rate of Return (WARR) for the six-month period on the RSA Fund I was 7.43 percent (annualized). The performance was largely impacted by pension fund investments in quoted equities, which constituted about 9 percent of the portfolio value as at 31 December, 2018. The Nigerian stock market did not fare well in 2018 as market capitalization lost ₦1.80 trillion. Similarly, most stocks quoted on the Nigerian Stock Exchange (NSE) trended downwards culminating in the Nigerian Stock Exchange- All Share Index (NSE-ASI) recording a negative rate of return of 17.81 percent in 2018. However, it is expected that these unrealized losses would be reversed in the future based on positive investor sentiment and strong company performances.

Fund II: The Weighted Average Rate of Return (WARR) for the six-month period on the RSA Fund II was 4.63 percent (annualized). The low performance in the six-month period was a combination of the impact of diminution in stock prices as well as the

impact of the 'marked-to-market' losses incurred on bonds, brought about by the International Financial Reporting Standards (IFRS) requirements on transfer of bonds between funds (implementation of the Multi-Fund Structure). These bonds had hitherto been valued based on 'Amortized Cost' (plus accrued interest).

Fund III: The Weighted Average Rate of Return (WARR) for the six-month period on the RSA Fund III was 7.73 percent (annualized). This was the highest recorded performance amongst the three Funds and was mainly due to the lower level of exposure to quoted ordinary shares, 4 percent as at 31 December, 2018, as against 10 percent in Fund I and 11 percent in Fund II.

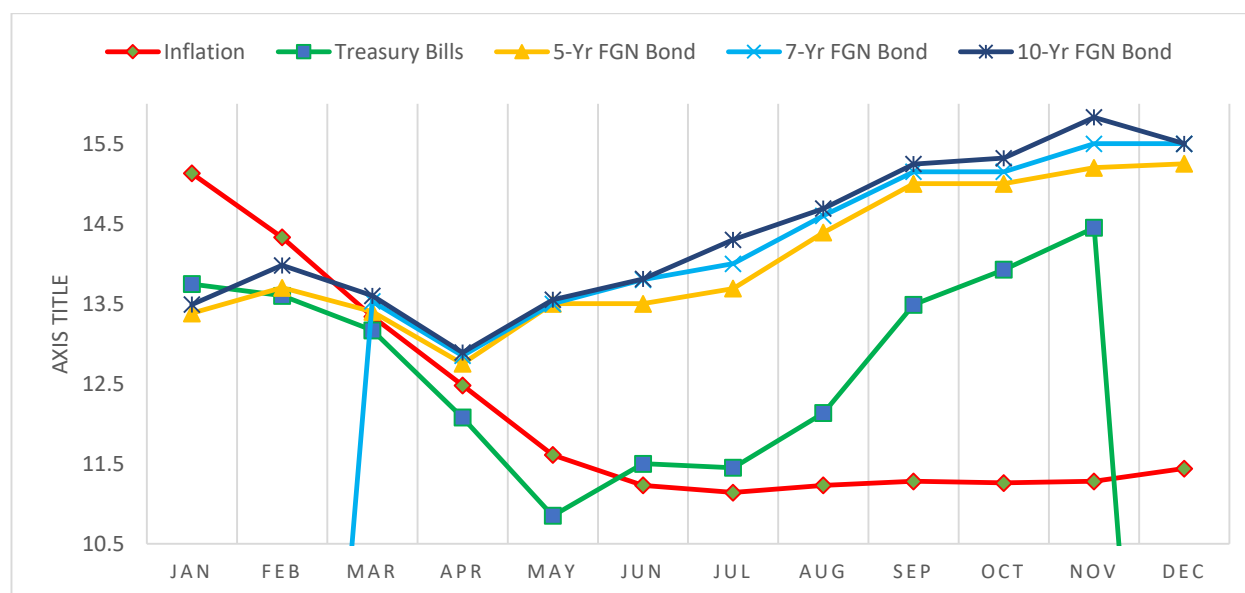


Figure 3.2: Inflation Rate vs Yields on FGN Securities

Figure 3.2 above illustrates the yields on FGN Securities (5-year, 7-year, 10-year and treasury bills) relative to the inflation rate (Year-on-Year) in 2018. The Year-on-Year inflation rate started the year on a high of 15.13 percent but trended down throughout the year to end at 11.44 percent. Conversely, yields on FGN bonds were around 13 percent in the beginning of the year and trended upwards to end the year around 15 percent. FGN bonds provided 'real' above-inflation returns for a significant part of the year.

The marginal yields on FGN Bond Primary Auctions across the various maturity profiles, averaged 13.60 percent in the first quarter of 2018; 13.35 percent in the second quarter 14.56 percent in the third quarter; and 15.27 percent in the fourth quarter of 2018. However, except for fourth quarter 2018, the yields were much lower than the 16.62 percent, 16.22 percent, 16.34 percent recorded in the first, second and

third quarters of 2017 respectively.

Yields on 364-day Treasury Bills on the other hand were below the inflation rate up to June 2018, when yields picked up and broke the inflation barrier to end the year 300 basis points above the inflation rate. Yields on 364-day Treasury Bills averaged 13.50 percent, 11.48 percent, 12.36 percent and 14.19 percent in the first, second, third and fourth quarter of 2018, respectively.

3.6.6 Review of Asset Classes

The RSA Fund investments were in the approved asset classes, as contained in the Regulation on Investment of Pension Funds. These were namely: Quoted Ordinary Shares, FGN Securities (Bonds and Treasury Bills), State Government Bonds, Corporate Debt Securities (Corporate Bonds and Infrastructure Bonds), Money Market Instruments (Bank Placements and Commercial Papers), Supranational Bonds, Open/Close Ended Funds (including Real Estate Investment Trusts), Private Equity Funds and Infrastructure Funds. The following sections provide a review of the pension fund investments in the individual asset classes based on the respective RSA Funds.

(i) Domestic Quoted Ordinary Shares

Fund I: The total value of investments in quoted ordinary shares was ₦775 million as at 31 December 2018, representing 10 percent of portfolio value.

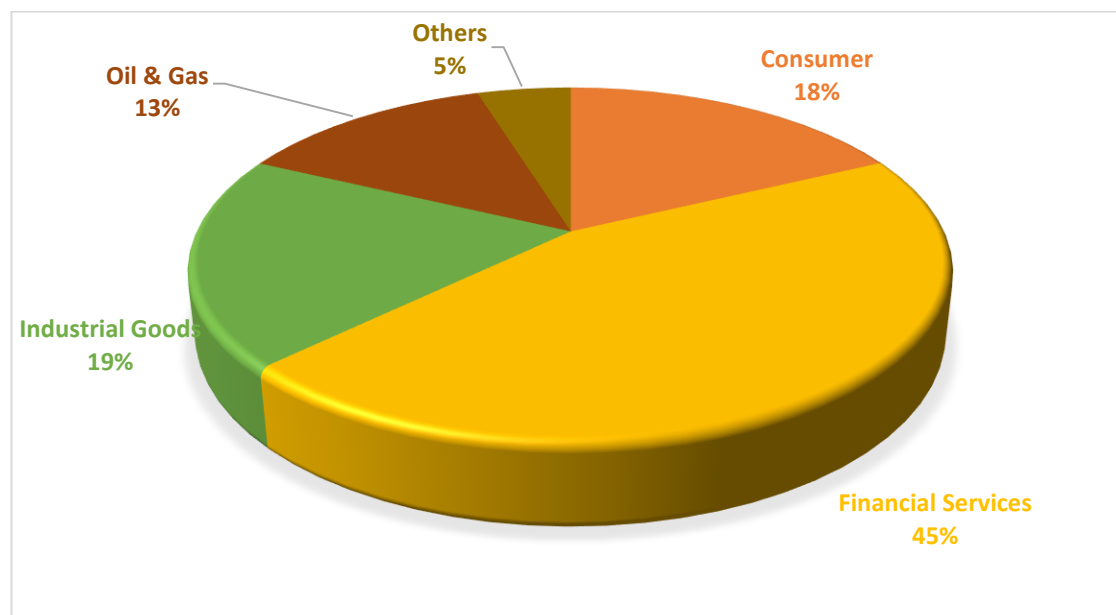


Figure 3.3: RSA Fund I: Investments in Ordinary Shares based on NSE Sector Classification

Investments in the Financial Services sector (Banking & Insurance) had the highest actual assets allocation of 45 percent of total value of equity investments. Other major investments were in Industrial Goods (19 percent); Consumer Goods (18 percent); and Oil & Gas (13 percent).

Fund II: The market value of investment in quoted ordinary shares was ~~N~~401.05 billion as at 31 December 2018, representing 11 percent of portfolio value.

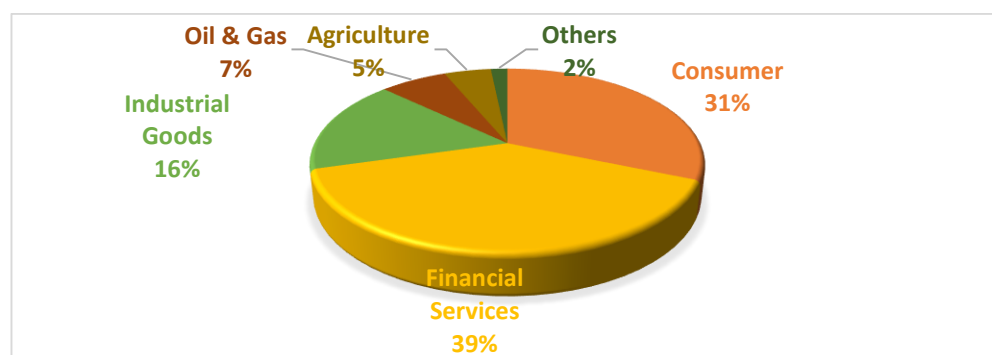


Figure 3.4: RSA Fund II: Investments in Ordinary Shares based on NSE Sector Classification

Investments were mainly in two sectors namely: The Financial Services sector (39 percent) and Consumer Good sector (31percent). Other major investments were in Industrial Goods (17 percent); Oil & Gas (7 percent); and Agriculture (5 percent).

Fund III: The value of investments in quoted ordinary shares was ~~N~~85.81 billion as at 31 December 2018, representing 4 percent of portfolio value.

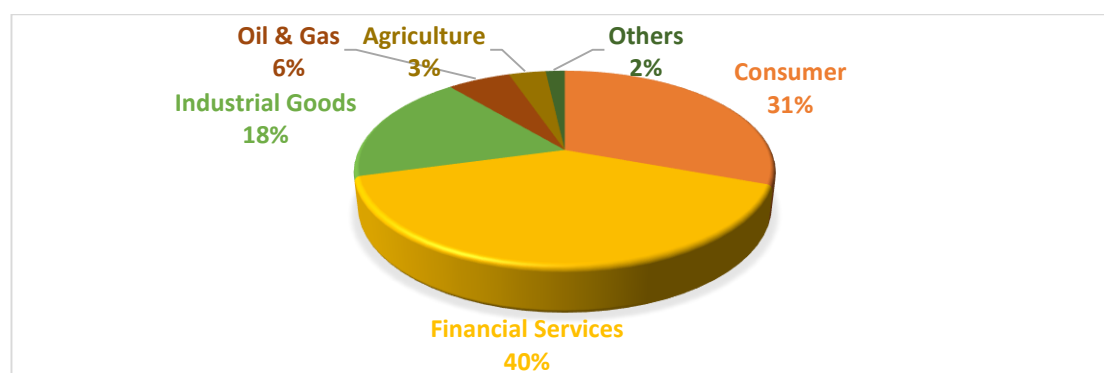


Figure 3.5: RSA Fund III: Investments in Ordinary Shares based on NSE Sector Classification

Quoted Equity Investments were mainly in the following sectors: Financial Services sector (40 percent); Consumer Good sector (31 percent); Industrial Goods (18

percent); Oil & Gas (6 percent); and Agriculture (3 percent).

(ii) Federal Government of Nigeria (FGN) Securities

The investments in Federal Government of Nigeria (FGN) Securities namely bonds (Agency, Sukuk and Green) and Treasury Bills, were valued at ₦4.51 trillion as at 31 December, 2018.

Table 3.14: Breakdown of Investments in FGN Securities by the Three Funds

S/N	Securities	Fund I N'Billion	Fund II N'Billion	Fund III N'Billion	Total N'Billion
1	FGN Bonds	2.20	2,082.61	1,229.29	3,314.10
2	FGN Agency Bonds	0.00	8.30	2.13	10.43
3	FGN Sukuk	0.00	58.32	23.90	82.22
4	FGN Green Bonds	0.00	2.76	4.15	6.91
5	Treasury Bills	3.15	651.46	438.56	1,093.17
	Total	5.35	2,803.47	1,698.02	4,506.84

The FGN issued a second tranche of its sovereign Sukuk in December 2018, valued at ₦100 billion, which was fully subscribed. The proceeds of the Sukuk would also be deployed to the construction and rehabilitation of the road network in the country. The Sukuk was issued at a yield of 15.74 percent and would mature in 2025.

The 'Term-To-Maturity' (TTM) profile of investments in FGN Bonds as at 31 December 2018 for the three Funds, is shown in the tables below:

Fund I

Table 3.15: Term to Maturity Profile of FGN Bonds in Fund I as at 31 December 2018

S/N	Term to Maturity	Amount N'Billion	% of Total Value of FGN Securities
1	Below 3years	108.31	5%
2	3years – 5years	142.15	6%
3	5years – 10years	473.48	21%
4	Above 10years	1,478.87	67%
	Total	2,202.81	100%

About 67% of pension assets in Fund I were in long tenured bonds with Term to Maturity (TTM) above 10 years. Investments in medium (5-10yrs) to long term (above 10yrs) bonds combined, accounted for 88% of total investments in FGN bonds. The current allocation structure fits perfectly with the long term horizon of contributors in

Fund I, who are mostly young contributors, who can afford to have their contributions invested in long tenored securities.

Fund II

Table 3.16: Term to Maturity Profile of FGN Bonds in Fund II as at 31 December 2018

S/N	Term to Maturity	Amount N'Billion	% of Total Value of FGN Securities
1	Below 3years	300.66	14%
2	3years – 5years	171.20	8%
3	5years – 10years	538.71	26%
4	Above 10years	1,072.04	51%
	Total	2,082.61	100%

Pension Fund investments were in longer tenured bonds with Term to Maturity (TTM) above 10 years, and constituted about 51 percent of investments in FGN bonds. Investments in medium to long tenured bonds constituted about 77 percent of total investments.

Fund III

Table 3.17: Term to Maturity Profile of FGN Bonds in Fund III as at 31 December 2018

S/N	Term to Maturity	Amount N'Billion	% of Total Value of FGN Securities
1	Below 3years	190.24	15%
2	3years – 5years	217.12	18%
3	5years – 10years	328.64	27%
4	Above 10years	492.30	40%
	Total	1228.30	100%

The spread of investments within the various tenor buckets in Fund III was relatively evenly distributed (apart from long tenured bonds). Contributors in Fund III are those above 50 years in age and close to retirement, which makes keeping shorter tenured bonds necessary for liquidity, while the long tenured bonds would provide enhanced yield in the portfolio. Sixty-seven percent (67 percent) of total investments were in medium to long tenured bonds, while the short-term bonds and those less than 3 years to maturity constituted 33 percent.

(iii) State Government Bonds

The combined value of RSA Fund (I, II and III) investments in State Government Bonds was ₦68.64Billion, as at 31 December 2018. There were no new issuances of State Government Bonds in 2018. The distribution of pension fund investments in State Government Bonds by the 3 Funds as at 31 December 2018, is given in Table 3.17 below:

Table 3.18: RSA Fund I, II, III Investments in State Government Bonds as at 31 December 2018

S/N	State Governments	Maturity Date	Coupon Rate (%)	Fund I (N'Billion)	%	Fund II (N'Billion)	%	Fund III (N'Billion)	%
1	Bayelsa State	30/06/2019	16.50	-	0%	370.91	1%	-	0%
2	Lagos State (Series i)	22/11/2019	14.50	-	0%	2,131.27	3%	-	0%
3	Lagos State (Series ii)	27/11/2020	13.75	-	0%	10,846.81	16%	87.41	17%
4	Lagos State (Series iii)	30/12/2023	16.50	73.66	100%	14,601.28	21%	426.25	83%
5	Lagos State (Tranche I)	11/8/2024	16.75	-	0%	9,991.15	15%	-	0%
6	Lagos State (Tranche II)	11/8/2027	17.25	-	0%	25,874.64	38%	-	0%
7	Niger State (Series ii)	26/09/2021	17.00	-	0%	2,171.98	3%	-	0%
8	Niger State (Series iii)	12/12/2021	17.00	-	0%	1,278.36	2%	-	0%
9	Osun State	12/12/2019	14.75	-	0%	783.66	1%	-	0%
	Total			73.66	100%	68,050.06	100%	513.66	100%

Fund I: There was only one investment in the Lagos State Government Bond due 2023. Total investment as at 31 December 2018 was ₦73.66 million.

Fund II: The Fund's investments were predominantly in bonds issued by Lagos State, which accounted for 93 percent of total investments in State Government Bonds. Other major investments were in bonds (5year and 7year) issued by Niger State, which were due in 2018 but were extended for a period of 3 years with a new coupon rate of 17 percent. Other investments were in Bayelsa and Osun State Government bonds due to mature in 2019.

Fund III: There were two investments in bonds issued by Lagos State maturing in 2020 and 2023. All investments in State Government Bonds satisfied the investment criteria for pension fund investments and were within the stipulated investment limits.

(iv) Corporate Debt Securities

Total investments of Funds I, II and III in Corporate Debt Securities issued by companies was valued at ₦239.40 billion (Corporate Bonds ₦232.19 billion; and Infrastructure Bonds ₦7.21 billion) as at 31 December 2018. The corporate bond market was quite active in 2018 as there were 7 new corporate bond issues in which pension assets of Funds I, II and III were invested.

The bonds issued in 2018 were as follows: C & I Leasing Plc (5-year Bond issued at a coupon rate of 16.54 percent p.a.); Flour Mills Plc Series I (3-year, 15.50 percent p.a) and Series II (5-year, 16.00 percent p.a); Stanbic IBTC Bank Plc (5-year, 15.75 percent p.a); Sterling SPV Plc (7-year, 16.25 percent p.a); Union Bank Plc Series I (3-year, 15.50 percent p.a) and Series II (7-year, 15.75 percent p.a); UAC Property Development Company Plc (5-year, 16.00 percent p.a); and Wema Bank Plc (7-year, 16.50 percent p.a).

(v) Money Market Instruments

The investments in money market instruments (bank placements and commercial papers) were valued at ₦485.42 billion. The average rates on placements across all tenors in the various portfolios of PFAs were 12.88 percent p.a in third quarter 2018 and 14.60 percent p.a fourth quarter 2018.

Figure 3.6: Breakdown of RSA ‘Active’ Fund’s Investment in Money Market Instruments as at 31 December, 2018

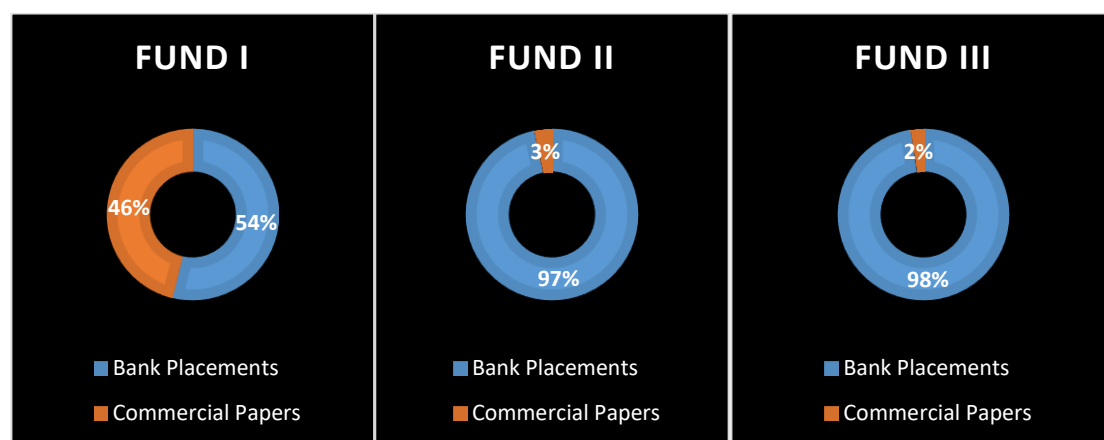


Figure 3.6 above provides a breakdown of money market investments based on the individual Fund allocations to bank placements and commercial papers. The investments in bank placements and commercial papers in Fund I were evenly split, relative to Funds II and III, which were predominantly invested in bank placements. The higher percentage of investments in Commercial Papers in Fund I reflected the Fund managers' quest for higher yields within the short end of the market.

As at 31 December 2018, pension fund investments were mainly in the money market instruments of five banks, namely, Access Bank Plc (26% of total investments in bank placements), Ecobank Plc (15%), Fidelity Bank (17%), Wema Bank Plc (11%) and UBA Plc 9%. The investments were within the minimum “BBB” investment grade rating requirement as stipulated in the Regulation on Investment of Pension Fund Assets.

Similarly, pension funds were invested in Commercial Papers issued by Dangote Cement Plc, which constituted 48% of total investments of Funds I, II, III in Commercial Papers as at 31 December, 2018. Other significant investments were in CPs issued by Coronation Merchant Bank (13%), FSDH (13%) and Sterling Bank (11%).

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

The investments in Open/Closed-ended/Hybrid Funds were valued at ~~N~~5.76 million, ~~N~~312.57 billion and ~~N~~172.20 billion in Funds I, II and III, respectively, as at 31 December 2018.

These were made up of investments in Collective Investment Schemes (~~N~~11.51 billion) and Real Estate Investment Trusts (REITs), N6.90Billion. The major investments were in the UAC Property Development Company REITs (39% of total mutual fund investments); Union Homes Plc REITs (18%); and Value Alliance (12%). All investments were within approved investment limits and satisfied the minimum quality requirements as stipulated in the Regulation

(vii) Supranational Bonds

Investments in Supranational Bonds were valued at ~~N~~3.48 billion as at 31 December 2018. Total value of investments in Fund II was ~~N~~2.84 billion, while Fund III had investments valued at ~~N~~641 million. These were in the African Development Bank ~~N~~160 billion Medium-Term Note (maturing in 2020). There were no investments in Fund I.

Supranational Bonds issued by the International Finance Corporation (10.20% Fixed Rate Senior Unsecured Note) had matured in 2018 and were fully redeemed.

(viii) Private Equity (PE) Fund

As at 31 December 2018, only Fund II had investments in Private Equity (PE) valued at ~~N~~18.61 billion. These were in the Capital Alliance Private Equity Funds management by African Alliance Limited.

(ix) Infrastructure Fund

The investments in Infrastructure Funds were valued at ~~N~~101.06 million in Fund I and ~~N~~13.72 billion in Fund II, as at 31 December, 2018. PFAs had increased their investments in the Nigerian Infrastructure Debt Fund (NIDF) by ~~N~~9.86 billion, which was first issued in 2017.

(x) Un-invested Cash

The un-invested cash balances were ₦152.87 million, ₦10.64 billion and ₦9.98 billion for Funds I, II and III respectively, as at 31 December 2018. These represented newly unitized pension contributions and matured investments in the Funds awaiting deployment into the approved asset classes, as at the reporting date of 31 December, 2018. The applicable call rates on un-invested cash balances ranged between 4%p.a. and 8%p.a.

3.6.7 Analysis of RSA Retiree Funds

The total Net Assets Value of the RSA 'Retiree' Fund was ₦683.85 billion as at 31 December 2018, representing a growth of 21 percent over the value of ₦563.03 billion as at 31 December 2017. The investments were spread across six approved asset classes, but mainly invested in Federal Government Securities, 73 percent; Corporate Debt Securities (6 percent); and Money Market Instruments (15 percent) as shown in Table 3.19 below.

Table 3.19: Portfolio Mix of RSA Retiree Fund as at 31 December 2018 and 31 December 2017

ASSET CLASS	Portfolio Limit(%)	As at 31 Dec 2018		As at 31 Dec 2017		Variance	
		N Billion	Weight%	N Billion	Weight%	N Billion	Weight%
Quoted Equities	10	6.65	0.97	4.27	0.76%	2.38	55.74
Federal Government Securities	80						
(i) FGN Bonds		323.33	47.18	320.31	56.76	3.02	0.94
(ii) Treasury Bills		173.75	25.36	97.62	17.30	76.13	77.99
(iii) Agency Bonds		0.76	0.11	0.39	0.07	0.37	94.87
iv) Sukuk		4.21	0.61	1.51	0.27	2.70	178.81
(v) Green Bonds		0.30	0.04	0.00	0.00	0.00	0.00
State Government Bonds	20	12.11	1.77	15.46	2.74	-3.35	-21.67
Corporate Debt Securities	35						
(i) Corporate Bonds		46.19	6.74	36.22	6.42	9.97	27.53
(ii) Infrastructure Bonds		0.30	0.04	0.3	0.05	0.00	0.00
Supranational Bonds	20	2.19	0.32	3.07	0.54	-0.88	-28.66
Money Market Instruments	35						
(i) Bank Placements		89.79	13.10	70.26	12.45	19.53	27.80
(ii) Commercial Papers		15.92	2.32	8.85	1.57	7.07	79.89
Cash & Other Assets		8.35	1.42	4.78	1.07	4.98	104.18
Net Asset Value		683.85	100.00	563.03	100.00	120.82	21.46

3.6.8 Sources of Portfolio Growth / Diminution

The RSA Retiree Fund had a net growth of ₦120.82 billion in 2018. Table 3.20 shows the sources of the net portfolio growth.

Table 3.20: Sources of Portfolio Growth for 2018 and 2017

S/N	SOURCES OF PORTFOLIO GROWTH	Jan - Dec 2018 (=N=billion)	Jan - Dec 2017 (=N=billion)	Variance (=N=billion)
	New Inflow of Funds			
	• Transfers of Retirees' RSA 'Active' Balances/Accrued Rights	325.24	323.03	2.21
	Investment Income			
	• Interests/Coupons	82.66	86.39	(3.73)
	• Dividends	1.89	0.25	1.64
	• Net Realized Gains on Equities & Bonds	4.78	0.92	3.86
	Net Unrealized Gains/Losses on Equities & Bonds	(2.88)	1.43	(4.31)
	Retirement Benefits Paid	(283.86)	(292.81)	8.95
	• Income Based Fees (+ VAT)	(7.01)	(8.14)	1.13
	Total	120.82	111.07	9.75

(i) Transfer from RSA 'Active' Balances and Accrued Rights

The transfers from the RSA Funds and accrued rights amounted to ₦325.24 billion in 2018, with an average monthly transfer of N27 billion. The transfers of ₦325.24 billion in 2018 was an increase over the ₦323.03 billion transferred in 2017.

(ii) Investment Income

The interests and coupons earned on investments in fixed income securities totalled ₦82.66 billion, representing a 4 percent decline over the income of ₦86.39 billion received in 2017. As noted earlier, the lower income from fixed income securities in 2018 relative to 2017 resulted from the lower interest rates / yields, especially on investments in FGN bonds and treasury bills in 2018.

(iii) Net Realized Gains / (Losses) on Equities and Bonds

The net realized gains on the disposal of equities and bonds amounted to ₦4.78 billion. The realized gains on bonds and equities were much higher than the ₦920Million recorded in 2017, due to higher bonds prices in 2018 relative to 2017.

(iv) Net Unrealized Gains/(Losses) on Equity and Bond Investments

The net unrealized losses on equity and bond investments amounted to ₦2.88 billion compared to unrealized losses of ₦1.43 billion in 2017. As noted earlier, the higher unrealized losses in 2018 relative to 2017 was due to the negative performance of the stock market in 2018 as the Nigerian Stock Exchange All Share Index (NSE-ASI) returned a negative rate of return of 17.81%, compared to a gain of 42% in 2017. Average holdings in equities was 1.20% of total portfolio value, compared to 0.60% in 2017. The equity investments were concentrated in 5 stocks that constituted 61% of total equity investments. The net unrealized losses were mostly from these stocks which included Zenith Bank Plc (27% of total investments in Fund IV), GTB Plc (13%), Dangote Cement Plc (8%), Seplat (7%) and FBN Holdings Plc (6%).

(v) Retirement Benefits Payments

A total of ₦283.86 billion was paid out as retirement benefits during the year compared to the sum of ₦292.81 billion in 2017.

(vi) Fees and Taxes

The total income based fees (inclusive of 5% VAT) charged to the Fund IV and paid to pension operators was ₦7.01 billion, and accounted for 8.29% of total investment income of ₦84.55 billion in 2018. The excess of 0.79% over the maximum rate of 7.50% stipulated in the Regulation on Fees Structure, represented the 5% VAT charges on fees payable to the PFAs and PFCs. Other miscellaneous charges such as audit fees amounted to ₦260 million.

3.6.9 Portfolio Performance

The RSA Retiree Fund recorded a Weighted Average Rate of Return (WARR) of 13.84% in 2018, which was lower than the rate of return of 15.39% recorded in 2017. The lower performance in 2018 was largely due to lower yields on Fixed Income Securities, which averaged 14.38% p.a, as against 16.78%p.a recorded in 2017. The lower performance was also a result of diminution in value of stocks held in the portfolio.

Table 14 below presents the breakdown of the average yields on FGN Bonds, Treasury Bills and Money Market Securities in the RSA Retiree portfolio for the first quarter 2018, second quarter 2018, third quarter 2018 and fourth quarter 2018.

Table 3.21: RSA Retiree Fund Average Portfolio Yield

FGN BONDS (Yield %)					TREASURY BILLS (Yields %)					MONEY MARKET (%)				
Q1	Q2	Q3	Q4	Average	Q1	Q2	Q3	Q4	Average	Q1	Q2	Q3	Q4	Average
12.89%	13.00%	13.87%	13.65%	13.38%	18.14%	14.85%	13.88%	14.46%	15.33%	15.62%	14.01%	12.98%	13.99%	14.15%

A review of the average yields on FGN Bonds revealed that yields were relatively stable during the year, resulting in an average of 13.38% p.a for the year. Yields on Treasury Bills, on the other hand, were relatively high in Q1:2018 (18.14% p.a), but subsequently trended downward to record an average of 15.33% p.a for the year. In the same vein, money market investments (bank placements) recorded relatively high interest rates in the first and second quarter, 2018, but also subsequently trended down to record an average of 14.15% for the year.

3.6.10 Review of Asset Classes

(i) Domestic Ordinary Share

As at 31 December 2018, the value of quoted ordinary shares was ~~N~~6.65 billion, accounting for 1% of total portfolio value. This was an increase of ~~N~~2.38 billion (55%) from the value of ~~N~~4.27 billion on 31 December 2017. Ordinary share investments in the financial services sub sector accounted for 63% of equity investments in 2018. Other significant investments were in the following sub sectors: consumer goods (15%); oil & gas (9%); and industrial goods (9%).

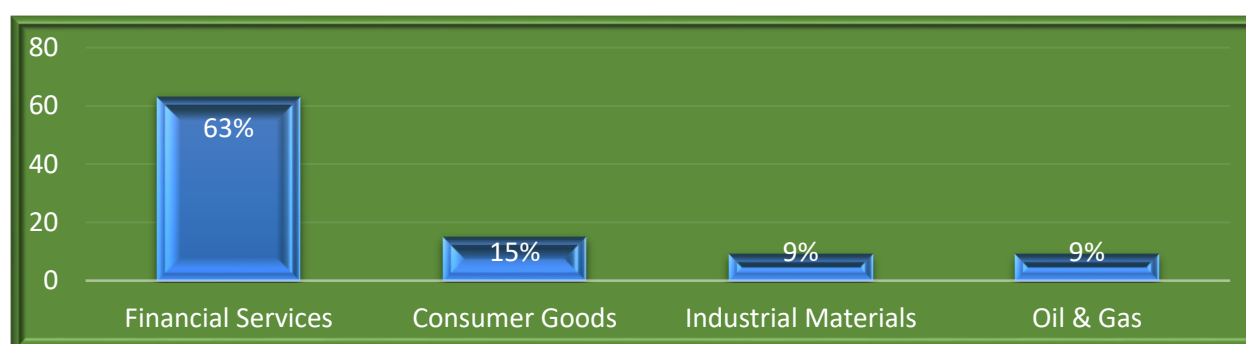


Figure 3.7: RSA Retiree Fund Investments in Ordinary Shares based on NSE Sectors

(i) Federal Government of Nigeria (FGN) Securities

As at 31 December 2018, investments in Federal Government Securities (bonds and treasury bills) were valued at ~~N~~502.35 billion and accounted for 73% of total RSA Fund IV, compared to ~~N~~419.83 billion as at 31 December, 2017.

Table 3.22: Breakdown of Investments in FGN Securities in the RSA Fund IV

S/N	Securities	Amount N'Billion	Weight (%)
1	FGN Bonds	323.33	64
2	FGN Agency Bonds	0.76	0
3	FGN Sukuk	4.21	1
4	FGN Green Bonds	0.30	0
5	Treasury Bills	173.75	35
	Total	502.35	100

The Term to Maturity (TTM) profile of investments in FGN Bonds as at 31 December, 2018 is provided below:

Table 3.23: Term to Maturity Profile of FGN Bonds as at 31 December 2018

S/N	Term to Maturity	Amount N'Billion	% of Total FGN Bonds
1	Below 3years	36.65	12
2	3years – 5years	47.31	16
3	Above 5years – 10yrs	99.60	33
4	Above 10years	113.80	38
	Total	297.36	100

As noted from Table 3.22 above, there was no significant change from the term to maturity profile of 2017 except for slight movement from bonds with maturities of 5 years to 10 years, which increased from 23% to 35% of total bond investments. Investments were still skewed towards longer tenured bonds with TTM above 10 years.

(ii) State Government Bonds

The value of investments in State Government Bonds was ~~N~~12.11 billion as at 31 December, 2018. This was a reduction of ~~N~~3.35 billion (22%) compared to the value of ~~N~~15.46 billion in 2017. The reduction in value was mainly as a result of the maturity and full redemption of bonds issued by Delta and Niger States in 2018.

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

Table 3.24: Summary of Investments in State Government Bonds as at 31 December 2018

S/N	State Government	Maturity Date	Tenor (Years)	Coupon Rate (%)	Market Value of Investment (N'Billion)
1	Bayelsa State	30/06/2019	9	16.50	0.09
2	Lagos State (Series I)	22/11/2019	7	14.50	1.05
3	Lagos State (Series II)	27/11/2020	7	13.50	3.16
4	Lagos State (Series III)	30/12/2023	7	16.50	1.76
5	Lagos State	11/8/2024	7	16.75	2.29
6	Lagos State	4/8/2027	10	17.25	1.21
7	Niger State (Series II)	26/09/2021	3	17.00	0.33
8	Niger State (Series III)	12/12/2021	3	17.00	1.19
9	Osun State	12/12/2019	7	14.75	1.03
	Total				12.11

Investments in State Government bonds were predominantly in bonds issued by Lagos State, with a market value of ~~N~~9.47 billion (78% of State Government Bonds). Other investments were in bonds issued by Niger State, ~~N~~1.52 billion (13%); and Osun State, ~~N~~1.03 billion (9%). All investments were within the maximum investment limits and complied with the minimum quality requirements stipulated in the Regulation issued by the Commission.

(iii) Corporate Debt Securities

The investments in Corporate Debt Securities were valued at ~~N~~46.49 billion as at 31 December, 2018 (7% of total portfolio value).

As noted earlier, there were new corporate bond issues in 2018 by the following companies: Sterling Bank Plc, C&I Leasing Plc, Union Bank Plc, Flour Mills Plc and Stanbic IBTC Bank Plc which issued bonds of various tenors. Conversely, bonds issued by La Casera Company, Tower Funding Plc and UBA matured in 2018 and were redeemed.

The major investments were in bonds issued by Lafarge Africa Plc (22% of total investments in corporate bonds); FCMB (20%); Sterling Bank Plc (13%) and Fidelity Bank Plc (9%). The investments were within approved limits and satisfied the quality requirements as stipulated in the Regulation.

The distribution of pension fund investments in the various corporate bonds is given in Table below:

Table 3.25: Summary of RSA 'Retiree' Fund Investments in Corporate Debt Securities as at 31 December 2018

S/N	Name of Issuer	Maturity Date	Tenor (years)	Coupon (%)	Total Investment (N'Million)	Weight (%)
1	Alpha Mead Funding Company Plc	27/06/2020	2	0.00	175.47	0.38
2	C&I Leasing Company Plc	11/6/2023	5	16.54	618.29	1.34
3	Dana Group Plc	9/4/2019	5	16.00	27.17	0.06
4	Dufil Prima Foods	1/9/2022	5	18.25	530.50	1.15
5	FCMB SPV	16/11/2021	7	14.25	4,909.80	10.63
6	FCMB (Series 2)	11/6/2020	5	15.00	4,393.57	9.51
7	Fidelity Bank Plc	13/05/2022	7	16.48	4,275.24	9.26
8	Flour Mills Plc	30/10/2023	5	16.00	3,340.12	7.23
9	Flour Mill Plc	30/10/2021	3	15.50	258.00	0.56
10	Forte Oil Plc	2/12/2021	5	17.50	168.74	0.37
11	Lafarge Africa Plc	15/06/2019	3	14.25	3,976.25	8.61
12	Lafarge Africa Plc	15/06/2021	5	14.75	6,141.92	13.30
13	LAPO Microfinance Bank	19/12/2022	5	17.75	201.27	0.44
14	Mixta Real Estate Ltd	16/01/2022	5	17.00	525.18	1.14
15	Lagos State Municipal Waste Mgt SPV	5/9/2022	5	18.00	1,455.68	3.15
16	Nigerian Aviation Handling Company Plc	12/5/2020	7	15.25	48.16	0.10
17	Stanbic IBTC Bank	30/09/2024	10	13.25	513.19	1.11
18	Stanbic IBTC Bank	30/08/2024	7	182DTbill + 1.2%	310.13	0.67
19	Stanbic IBTC Bank	5/12/2023	5	15.75	1,410.97	3.05
20	Sterling Bank SPV	3/8/2023	7	16.50	2,282.13	4.94
21	Sterling Bank	14/09/2025	7	16.25	3,714.16	8.04
22	Tower Funding Plc	9/03/2020	7	MPR+7/ MPR+5	3.17	0.01
23	Transcorp	26/10/2022	7	16.00	824.86	1.79
24	Transcorp	4/12/2020	5	15.50	651.66	1.41
25	UBA Plc	30/12/2021	7	16.45	2,373.62	5.14
26	Union Bank Plc	13/09/2021	3	15.50	104.99	0.23
27	Union Bank Plc	3/9/2021	3	15.75	610.90	1.32
28	UPD Company Plc	26/04/2023	5	16.00	102.84	0.22
29	Viathan SPV	13/12/2027	10	16.00	201.22	0.44
30	Wema Bank Plc	11/10/2025	7	16.50	1,965.25	4.25
31	Diamond Bank (Eurobond)	21/05/2019	5	8.75	76.61	0.17
Total					46,191.06	100.00

(iv) Money Market Securities

The investments in money market instruments were valued at ₦105.71 billion as at 31 December 2018. This reflected a growth of 33% over the value of ₦79.11 billion as at 31 December 2017.

Table 3.26: Breakdown of RSA ‘Retiree’ Fund Investments in Money Market Instruments as at 31 December, 2018

S/N	Money Market Instruments	Amount N’Billion	Weight (%)
1	Bank Placements	89.79	85
2	Commercial Paper	15.92	15
	Total	105.71	100

The pension assets of the RSA Retiree Fund were mainly invested in bank placements of four banks. Pension assets were also invested in commercial papers issued by seven entities (3 banks and 4 non-bank institutions). Money Market Investments were largely within approved investment limits during the year and investments satisfied the minimum quality requirements, as stipulated in the Regulation.

(v) Supranational Bonds

The investments in Supranational Bonds were valued at ₦2.19 billion as at 31 December, 2018. These were in the AAA-rated bonds issued by the African Development Bank, which satisfied the quality requirements stipulated in the Regulation.

(vi) Cash & other Assets

The un-invested cash balance was ₦8.35 billion as at 31 December, 2018. The cash balances were in respect of matured tenured placements awaiting re-investment and transfers from RSA Fund III awaiting deployment as at 31 December 2017.

3.7 Analysis of Portfolio of Closed Pension Fund Administrators (CPFAs) Fund

The Net Asset Value of pension fund assets of the CPFA Funds increased by 6.81 percent (₦68.7 billion), from ₦1.01 trillion as at 31 December, 2017, to ₦1.08 trillion as at 31 December, 2018. The increase resulted from investment incomes and fresh funds injected by Scheme Sponsors to bridge funding gaps.

Following the wind-up of UNICO CPFA in September 2018, the number of CPFAs as at 31 December, 2018, reduced to Six with pension assets of Shell CPFA accounting for over 50 percent of the total CPFA Funds, while Total CPFA and Chevron CPFA accounted for 22 percent and 13 percent, respectively. A summary of the asset allocation of the CPFA Funds for the years ended 31 December, 2018 and 31 December, 2017 is presented in Table 3.27 below.

Table 3.27: Comparative Summary of CPFA Funds as at 31 December 2018

Asset Class	31-Dec-18		31-Dec-17		Variance	
	N' Billion	Weight	N' Billion	Weight	N' Billion	%
Domestic Ordinary Shares	32.80	3.04%	65.06	6.04%	(32.26)	(49.58)
Foreign Ordinary Shares	55.86	5.18%	104.61	9.71%	(48.74)	(46.60)
FGN Securities:						
i. FGN Bonds	466.35	43.28%	361.82	33.58%	104.53	28.89
ii. Treasury Bills	173.25	16.08%	174.37	16.18%	(1.12)	(0.64)
iii. Agency Bonds	0.37	0.03%	0.28	0.03%	0.09	32.14
iv. Sukuk Bonds	0.16	0.01%	0.10	0.01%	0.06	56.77
State Govt. Bonds	14.23	1.32%	15.80	1.47%	(1.58)	(9.97)
Corporate Debt Securities	141.73	13.15%	42.84	3.98%	98.88	230.79
Supranational Bonds	1.24	0.12%	2.26	0.21%	(1.02)	(45.00)
Local Money Market Instruments	33.25	3.09%	63.09	5.85%	(29.84)	(47.30)
Foreign Money Market Instruments	3.21	0.30%	35.39	3.28%	(32.18)	(90.93)
Open/Close-End Funds	9.85	0.91%	8.53	0.79%	1.32	15.50
Real Estate Property	122.10	11.33%	111.37	10.34%	10.73	9.63
Private Equity	12.65	1.17%	11.28	1.05%	1.37	12.11
Infrastructure Funds	4.05	0.38%	1.76	0.16%	2.29	0.00
Cash & Other Assets	6.47	0.60%	10.29	0.95%	(3.82)	(37.12)
Total Pension Fund Assets	1,077.57	100.00%	1,008.85	93.62%	68.71	6.81

Investments of the six CPFA Funds were spread across 10 approved asset classes, with a concentration in Federal Government Securities (59.40%); quoted ordinary shares (domestic: 3%; foreign: 5%); real estate properties (11%); and domestic money market instruments (3%).

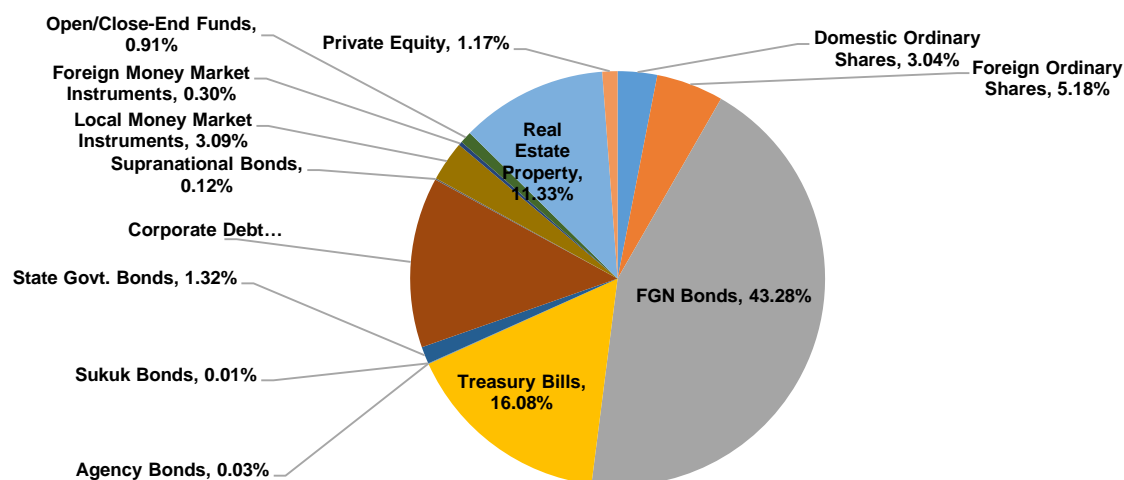


Figure 3.8: Portfolio of CPFA Funds as at 31 December 2018

3.7.1 Sources of Portfolio Growth / Diminution

The breakdown of the net growth of N68.71 in 2018 and corresponding figures in 2017, were as follows:

Table 3.28: CPFA Funds – Sources of Portfolio Growth for 2018 and Comparative Figures for 2017

Sources of Growth	2018	2017	Variance btw 2018 & 2017
	N' Billion	N' Billion	N' Billion
New Inflow of Funds			
New Contributions/Funds Injected by the Scheme Sponsors	58.42	59.29	(0.87)
Investment Income			
Interest/Coupon Income	94.11	84.96	9.15
Dividend Income	2.63	4.12	(1.49)
Rental Income	4.82	5.13	(0.31)
Net Realized Gains/(losses)	42.32	1.19	41.13
Net Unrealized Gains/(Losses)	(83.97)	62.97	(146.94)
Other Income - Foreign Exchange Gains	44.28	1.6	42.68
Payment of Retirement Benefits	(85.38)	(71.45)	(13.93)
Asset Based Fees	(3.42)	(4.04)	0.62
Other Charges & Expenses	(5.10)	(5.92)	0.82
Total	68.71	137.85	(69.14)

(i) Contributions Received/Funds Injected by Sponsors

During the year under review, the new funds injected by the Scheme Sponsors and new contributions made by members in Defined Contribution Schemes amounted to ~~₦~~58.42 billion, slightly lower than the amount of ~~₦~~59.29 billion in 2017.

(ii) Investment Incomes (Interests/Coupons)

The total Interest/Coupons received for the year amounted to ~~₦~~94.11 billion, representing an increase of ~~₦~~9.15Billion (11 percent) over the interest income of ~~₦~~84.96 billion recorded in 2017. This resulted primarily from the increase in the absolute values of fixed income investments, as deposit rates on money market investments and yields on FGN Securities experienced a decrease compared to 2017.

(iii) Rental Incomes

Rental income on real estate properties amounted to ~~₦~~4.82 billion, mainly from real estate properties of Total and Shell CPFAs. There were no significant foreign exchange gains on rental income, as a result of the relative stability in the foreign exchange market in 2018.

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

The CPFA Funds recorded net unrealized losses of ~~₦~~83.97 billion on investments in bonds and equity funds, compared to the unrealized gains of ~~₦~~62.97 billion, in 2017. Investments in FGN Bonds recorded unrealized losses of ~~₦~~21.47 billion, while unrealized losses on equities and equity funds, amounted to ~~₦~~62.50 billion as at 31 December 2018, following the persistent decline of the equity market in 2018.

(v) Net Realized Gains/(Losses)

The CPFA Funds recorded ~~₦~~42.32 billion as net realized gains, comprising of realized gains on disposal of FGN Bonds (~~₦~~42.22 billion) as well as realized gains on disposal of equities (~~₦~~103.95 million).

(vi) Other Income – Foreign Exchange Gains

Currency exchange gains of ~~₦~~44.28 billion were recorded on dollar denominated investments and rental incomes during the year. The bulk of the currency exchange gains was recorded by Shell CPFA, as a result of their substantial dollar denominated investments.

(vii) Asset Based Fees

The total asset based fees paid by the CPFA Funds in 2018 amounted to ~~N~~3.42 billion, a 15 percent decrease when compared with total fees of ~~N~~4.04 billion paid in 2017, which was partly attributed to the revision of the fee rate structure of the pension industry effective July 2018 from a maximum of **1.55** percent to **1.10** percent of Net Assets Value.

It is important to note that Shell and Total CPFA only charge custodial and regulatory fees to the Funds, as the operational costs of running the CPFAs are borne by the Scheme Sponsors.

(viii) Other Charges and Expenses

Other charges and expenses relate to provisions for audit expenses and taxes (VAT & Withholding Taxes), real estate management expenses and real estate revaluation deficit, which was mostly with respect to real estate properties of Shell CPFA.

3.7.2 Portfolio Performance

As witnessed in previous years, the performance of the respective CPFA Funds were reflective of their portfolio mix and exposure levels to variable and fixed income investments. Following the decline in performance of the equity market in 2018, there was a shift to fixed income investments when compared with the portfolio mix as at the end of 2017. The Funds' performance ranged from 9.00 percent to 13.45 percent; in contrast to year 2017, in which returns ranged from 13 percent to 20 percent.

The rates of return in 2018 for the respective Funds are as shown in the table below:

Table 3.29: Return on Investment for the CPFA Funds in 2018

CPFA Fund	SHELL	PROGRESS TRUST	NESTLE	CHEVRON	TOTAL	AGIP
ROR (%) 2018	10.38%	11.61%	13.37%	9.00%	13.45%	13.23%
ROR (%) 2017	19.78%	15.12%	16.69%	13.16%	16.94%	18.41%
ROR (%) 2016	18.70%	10.07%	11.88%	7.53%	9.79%	12.82%
ROR (%) 2015	12.98%	8.58%	11.43%	7.73%	15.19%	15.15%

Total CPFA posted the highest rate of return of 13.45 percent, as a result of its higher exposure to fixed income instruments, which accounted for 98 percent of its investment portfolio as at 31 December, 2018.

3.7.3 Review of Asset Classes

(i) Domestic and Foreign Ordinary Shares

Investments in ordinary shares (domestic and foreign) by CPFA Funds, were valued at ~~N~~88.66 billion, as at 31 December, 2018, accounting for 8 percent of CPFAs total portfolio value. This represented a decrease in value, compared with holdings as at 31 December 2017, which was valued at ~~N~~169.67 billion. The decrease was attributed to share price drops in the stocks held in the equity portfolios, as well as divestment from both domestic and foreign currency denominated ordinary share investments.

Table 3.30: Investment in Ordinary Shares – December 2018

Asset Class	N'Billion
Domestic Ordinary Shares	32.80
Foreign Ordinary Shares	55.86
Total	88.66

(ii) Domestic Equities

The value of the domestic ordinary shares' portfolio decreased by 50 percent (~~N~~32.26 billion), from ~~N~~65.06 billion in December 2017 to ~~N~~32.80 billion in December 2018.

Investments in the financial services and consumer goods sub-sectors, accounted for 45 percent and 34 percent, respectively, of domestic equity investments; with investments spread across other sub-sectors as follows: industrial goods (13 percent); oil & gas (4 percent); agriculture (2 percent); construction and real estate (less than 1 percent).

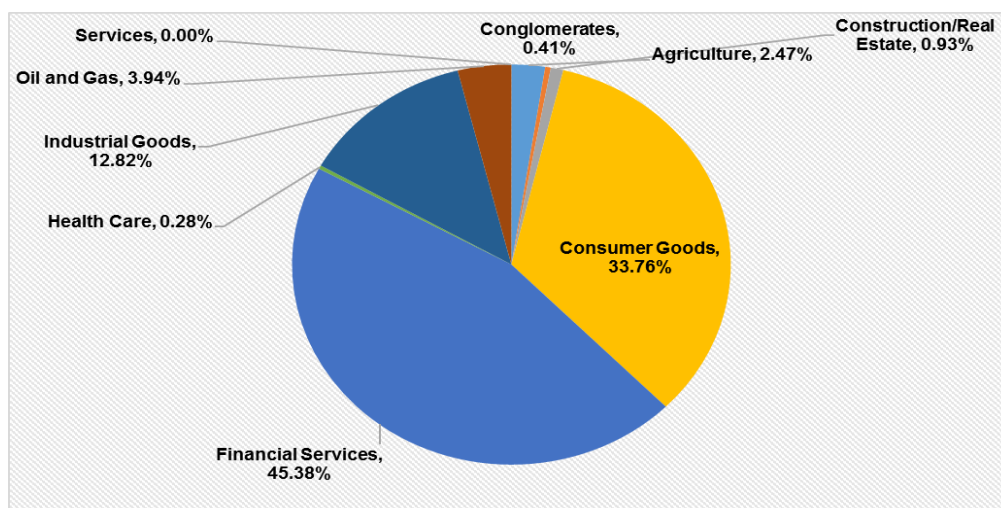


Figure 3.9: CPFA Funds – Sector Classification of Investments in Domestic Ordinary Shares as at 31 December 2018

The value of foreign equity investments decreased by ~~N~~48.74 billion (47 percent), from ~~N~~104.61 billion on 31 December, 2017, to ~~N~~55.86 billion as at 31 December, 2018, due to divestments from this asset class. Shell CPFA remained the only Fund with investments in this asset class, with investments in the Black Rock Emerging Market Sub-Index Fund and Black Rock Developed World Index Sub-Fund.

(iii) Federal Government of Nigeria (FGN) Securities

Investments in Federal Government Securities were valued at ~~N~~640.13 billion as at 31 December, 2018 (FGN Bonds: ~~N~~466.35 billion, Treasury bills: ~~N~~173.25 billion, Agency Bonds: ~~N~~373.57 million and Sukuk: ~~N~~156.77 billion) and accounted for 59 percent of the total portfolio value of the CPFA Funds.

Table 3.31: CPFA Funds - Investments in FGN Securities

Asset Class	N'Billion
FGN Bonds	466.35
Treasury Bills	173.25
Agency Bonds	0.37
Sukuk	0.16
Total	640.13

Table 3.32 provides the 'Term to Maturity' profile of CPFAs' investments in FGN Bonds as at 31 December, 2018.

Table 3.32: CPFA Funds - FGN Bonds Maturity Profile as at 31 December, 2018

Tenor	Market Value (N' Million)	Weight (%)
Below 3years	83.42	18
3years – 5years	81.63	17
5years-10 Years	23.29	5
Above 10years	278.01	60
Total	466.35	100

The maturity profile of FGN Bonds as indicated in the table above, showed a concentration of investments in the long end of the market, which was a change compared to the previous year (2017), when there was a more even balance in the concentration of investments in the short (25%) to mid-end (31%), and long (44%) end of the market. The change was attributed to increased investments by the CPFA Funds in longer tenured FGN bonds.

Investments of the CPFA Funds in Treasury Bills amounted to ~~N~~173.25 billion, with an average yield of 12.97 percent p.a. across tenors, as at 31 December, 2018. Investments in FGN Agency Bonds were valued at ~~N~~373.57 billion, representing holdings in the Nigeria Mortgage Refinance Company Plc N140 billion Medium Term Note Program.

As at 31 December, 2018, investments by CPFA Funds in the ~~N~~100 billion FGN Sukuk were valued at ~~N~~156.77 million, while there were no investments in the ~~N~~10.69 billion 5-Year FGN Green Bond.

(iv) State Government Securities

Investments in State Government Bonds were valued at ~~N~~14.23 billion as at 31 December 2018, representing a decrease in value of ~~N~~1.58 billion (10 percent), when compared to the value of investments of ~~N~~15.80 billion as at 31 December, 2017. The decrease resulted from the maturity of the Delta State Government ~~N~~ 50 billion Fixed Rate Infrastructure Development Bond in September, 2018.

Details of CPFAs' investment in State Government Bonds as at 31 December 2018 are provided as follows:

Table 3.33: CPFA Fund's Investment in State Government Bonds as at 31 December 2018

State Governments	Credit Rating	Coupon Rate (%)	Term to Maturity (Years)	Maturity Date	Market Value of Investment (N'Million)	Weight (%)
16.50% BAYELSA 30-JUN-2019	A	16.50%	0.5	30-Jun-19	68.48	0.48%
17.25% LAGOS 04-AUG-2027	A	17.25%	8.6	04-Aug-27	6,514.90	45.79%
14.50% LAGOS 22-NOV-2019	A	14.50%	0.9	22-Nov-19	2,037.39	14.32%
15.60% LAGOS 11-AUG-2024	A	16.50%	6.0	30-Dec-24	1,394.17	9.80%
13.50% LAGOS 27-NOV-2020	A	13.50%	1.9	27-Nov-20	502.91	3.53%
16.50% LAGOS 30-DEC-2023	A	16.50%	5.0	30-Dec-23	3,709.62	26.07%
TOTAL:					14,227.47	100%

Bonds issued by the Lagos State Government accounted for the largest holding (99%) of State Government Bonds by CPFA Funds.

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

(v) Corporate Debt Securities

The investments in Corporate Debt Securities were valued at ₦141.73 billion (13 percent of the CPFA's total fund value), as at 31 December, 2018, compared to ₦42.84 billion (4percent), as at 31 December, 2017, and resulted from increased investments in this asset class during the reporting period.

There were investments in dollar denominated instruments issued by foreign counterparties (Barclays Bank and Credit Suisse), as well as in the BlackRock BGF Emerging Markets Corporate Bond Fund and the PIMCO Corporate Bond Fund, valued at ₦122.85 billion, which accounted for 87 percent of the corporate debt portfolio as at 31 December, 2018.

As at 31 December, 2018, investments in domestic counterparties were concentrated in the Stanbic IBTC Bank Plc Structured Note Programme (₦2.25 billion), and the Lafarge Africa Plc Debt Issuance Programme (₦1.50 billion).

(v) Money Market Securities (Domestic and Foreign)

Domestic:

Investments in domestic money market instruments were valued at ₦33.25 billion as at 31 December, 2018, representing a decrease in value of 47 percent in the value of

investments, when compared with holdings in this asset class as at 31 December, 2017. This was attributed to the drop in deposit rates during the year, resulting in the re-investment of matured money market investments in higher yielding FGN Securities.

Term deposits valued at ~~N~~28.21billion, accounted for 85 percent of total investments in domestic money market instruments, while investments in Commercial Papers valued at ~~N~~5.04 billion accounted for 15 percent of the same asset class.

The money market investments, which all met the minimum quality requirements for pension funds, were concentrated in two banks (Access Bank Plc and Coronation Merchant Bank), accounting for 71 percent of the total domestic money market investments of the CPFA Funds as at 31 December, 2018.

Foreign Currency:

Foreign currency money market investments were valued at ~~N~~3.21 billion, accounting for less than 1 percent of the total value of CPFA Funds, which was a major decline, compared to the value of investments of ~~N~~35.39 billion, as at 31 December, 2017. .

(vi) Supranational Bonds

The total investment in Supranational Bonds, was valued at ~~N~~1.24 billion as at 31 December, 2018, representing less than 1 percent of total CPFA Funds. These investments were in the African Development Bank (AfDB)-Naira denominated Bond, which had “AAA” ratings and satisfied other stipulated quality requirements for pension fund investments.

(vii) Real Estate Properties

Real Estate Properties were valued at ~~N~~122.10 billion (11 percent of total CPFA Funds) as at 31 December, 2018, representing an increase of ~~N~~10.73 billion (10 percent) over the value of ~~N~~111.37 billion in December 2017. This was attributed to revaluation surplus on the real estate assets.

(viii) Open/Closed End Funds

Investments in Open/Closed-End Funds, which were valued at ~~N~~9.85 billion (less than 1 percent of total CPFA Funds), as at 31 December, 2018, witnessed an increase of ~~N~~1.32 billion, over the value of ~~N~~8.53 billion as at December, 2017. This was attributed to increased investment in offshore REITs , as well as new investments in Money Market Funds .

(ix) Private Equity (PE) Fund

The value of investments in Private Equity (PE) Funds was ₦12.65 billion, as at 31 December, 2018, an increase of ₦1.37 billion (12 percent), over the value of investments of ₦11.28 billion as at 31 December, 2017. The increase in the value of investments in this asset class was a result of capital cash call on the Actis (Real Estate) Funds 2 & 3.

(x) Infrastructure Fund

Investments in Infrastructure Funds valued at ₦4.05 billion as at 31 December, 2018, were in the ARM-Harith Fund (ARMHIF) and the Nigeria Infrastructure Debt Fund by three CPFA Funds. The increase in the value of investment in this asset class, was as a result of increased investment in the Nigeria Infrastructure Debt Fund.

(xi) Cash & other Assets

Cash & Other assets were valued at ₦6.47 billion as at 31 December, 2018. 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.

3.7.4 Funding Level

A review of the funding levels of the various CPFA funds operating the Defined Benefit Scheme, revealed that most had funding surpluses. The table below provides a summary of the most recent reports (December 2017) on the funding status of the various funds.

Table 3.34: Funding Status of CPFA Schemes

Funding Status	AGIP			CHEVRON	SHELL	***TOTAL E&P
	NAOC	AENR	NAE			
	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion
Total Pension Assets	83.46	4.06	2.12	140.89	549.07	239.76
Total Pension Liabilities	75.94	3.05	1.04	139.13	330.84	154.28
Funding Surplus / (Deficit)	7.52	1.01		1.86	218.23	85.47
Surplus / (Deficit) (%)	9.01	24.88	50.94	1.32	39.75	35.65

***Total CPFA - December 2018 Actuarial Valuation

3.8 Review of Approved Existing Scheme (AESs) Fund

The net assets value of Approved Existing Schemes (AES) increased from ₦828.15 billion as at 31 December, 2017 to ₦977.84 billion as at 31 December, 2018. This indicated a net growth of ₦149.69 billion (18 percent), compared to a net growth of ₦133.45 billion in 2017. The net increase in the value of assets was primarily attributed to new contributions; funds injected by scheme sponsors and interest/coupon incomes.

The table below, provides a summary of the asset allocation of the AES Funds for the year ended 31 December, 2018 as well as comparative figures for 2017.

Table 3.35: Comparative Summary of AES Funds - 2017/2018

Asset Class	31-Dec-18		31-Dec-17		Variance	
	N'Billion	Weight %	N'Billion	Weight %	N'Billion	%
Ordinary Shares	79.08	8.09%	93.01	11.23%	(13.93)	-14.98%
FGN Securities	638.80	65.33%	536.64	64.80%	102.16	19.04%
State Govt. Securities	13.74	1.41%	11.92	1.44%	1.82	15.26%
Corporate Debt Securities	41.05	4.20%	27.37	3.31%	13.68	50.00%
Money Market Instruments	84.77	8.67%	63.17	7.63%	21.60	34.19%
Open/Close-End Funds	1.54	0.16%	1.87	0.23%	(0.33)	-17.79%
Real Estate Properties	109.42	11.19%	93.96	11.35%	15.46	16.45%
Private Equity Funds	0.09	0.01%	-	0.00%	0.09	-
Infrastructure Funds	0.64	0.07%	-	0.00%	0.64	-
Cash & Other Assets	8.72	0.89%	0.21	0.03%	8.51	4050.72%
Total AES Fund Assets	977.84	100.00%	828.15	100.00%	149.69	18.07%

Assets of the AES Schemes were spread across nine asset classes, as follows: Quoted Ordinary Shares (8 percent); Federal Government Securities (65 percent); State Government Securities (1 percent); Corporate Debt Securities (4 percent); Money Market Instruments (9 percent); Real Estate Properties (11 percent) while Open/Closed End Funds, Private Equity Funds and Infrastructure Funds each accounted for less than 1 percent of the 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.

Below is a graphical illustration of the asset allocation of Approved Existing Schemes (AES) Funds as at December, 2018.

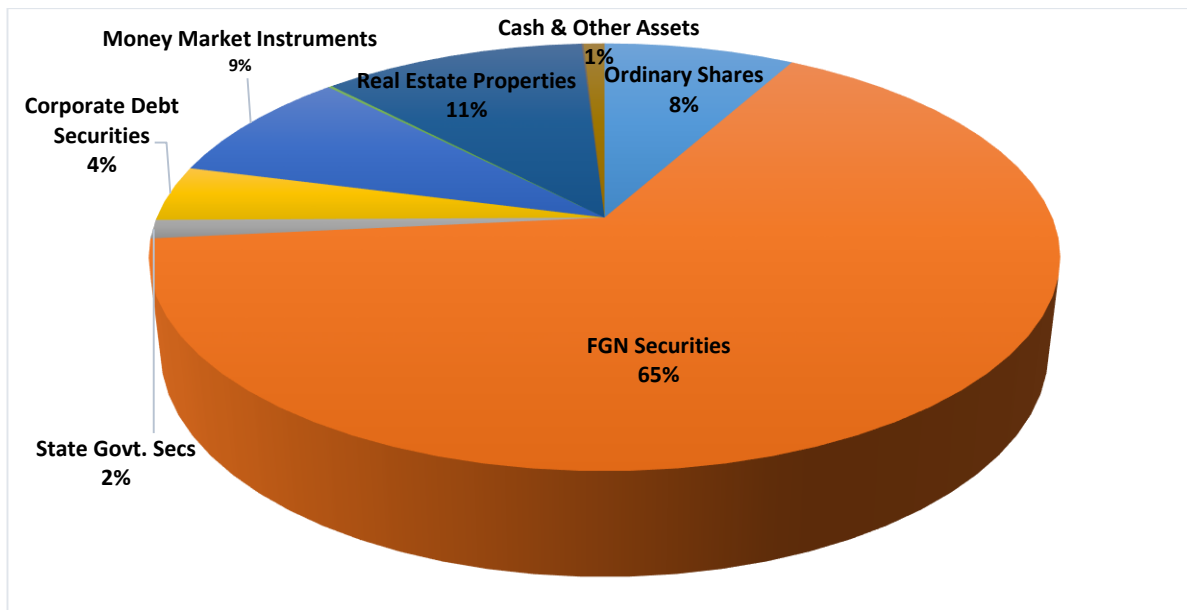


Figure 3.10: Portfolio of the AES Funds as at December 2018

3.8.1 Sources of Portfolio Growth/Diminution

The total value of AES Funds recorded a net growth of ₦149.69 billion, as Net Asset Value (NAV) of the Fund increased from ₦828.15 billion on 31 December 2017 to ₦977.84 billion as at 31 December, 2018. The breakdown of the net growth is as follows:

Table 3.36: AES Funds - Sources of Portfolio Growth for 2018 and Comparative Figures for 2017

Sources of Growth	2018	2017	Variance	
	N'Billion	N'Billion	N'Billion	%
New Inflow of Funds				
New Contributions/Funds Injected by the Scheme Sponsors	115.01	54.67	60.34	110.37
Investment Income	-			
Interest/Coupon Income	114.19	81.25	32.94	40.55
Dividend Income	5.86	4.74	1.12	23.57
Rental Income	0.24	0.19	0.05	25.70
Net Realized Gains/(losses)	6.17	(3.58)	9.75	-272.48
Net Unrealized Gains/(Losses)	(23.79)	52.70	(76.49)	-145.15
Revaluation Surplus on Real Estate Properties	-	1.72	(1.72)	-100.00
Payment of Retirement Benefits	(56.40)	(45.92)	(10.48)	22.82
Asset Based Fees/Other Charges	(8.52)	(5.80)	(2.72)	46.93
Transfer to RSA 'Active' Fund	(3.07)	(6.53)	3.46	-52.99%
Total	149.69	133.45	16.24	12.17%

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

New fund inflows amounted to ~~N~~115.01 billion and represented pension contributions and funds injected by Scheme Sponsors to bridge funding deficits in some of the Funds. The most significant inflows during the year were into the CBN AES Fund (~~N~~32.50 billion), NNPC AES Fund (~~N~~32.63 billion), NPA Gratuity Fund (N9.81 billion), ExxonMobil AES Scheme (~~N~~5.88 billion), and the Jigawa State Fund (~~N~~1.91 billion).

(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~~114.19 billion, representing an increase of ~~N~~32.94 billion over the interest income figure of ~~N~~81.25 billion recorded in 2017. The increase in the absolute value of Interests/Coupons was attributed to increased investments by the AES Funds in fixed income securities in 2018.

(iii) Rental Income

Rental income increased from ~~N~~194.99 million in 2017, to ~~N~~240.91 million in 2018. There was no revaluation surplus on real estate assets in 2018.

(iv) Net Unrealized Losses

The AES Schemes recorded net unrealized losses amounting to ~~N~~23.79 billion on equity and bond investments in 2018, compared to the unrealized gains of ~~N~~52.70 billion recorded in 2017. The unrealized losses recorded was mainly attributed to the poor performance of the NSE ASI which shed 17.81 percent in 2018.

(v) Net Realized Gains/(Losses)

The net realized gains, which was inclusive of realized gains on disposal of real estate assets (~~N~~1.51 billion), totalled ~~N~~6.17 billion as at 31 December, 2018, compared to the net realized losses of ~~N~~3.58 billion recorded in 2017. The net realized gains were mostly on the sale of equities and FGN Bonds by the ExxonMobil, CBN and NNPC AES Funds.

(vi) Payments of Retirement Benefits

A total of ~~N~~56.40Billion was paid as retirement benefits in 2018, higher than ~~N~~45.92 billion paid out in 2017.

(vii) Asset/Income Based Fees

The total Asset/Income Based Fees paid was ₦7.97 billion as at 31 December, 2018, while other charges amounting to ₦549.66 million represented statutory charges such as WHT and related transaction costs on investments. The average rate of fees charged was 1.01 percent, as opposed to the maximum allowable rate of 1.10 percent of Net Assets Value which became effective 1 July, 2018.

3.8.2 Portfolio Performance

The Return on Investment (ROI) on the major AES Funds in 2018, ranged between 6.00 percent to 15.44 percent and was largely dependent on the exposure levels of individual Funds to variable and fixed income securities.

Table 3.37: ROR on AES Schemes in 2018

Fund	Total Assets (N'Million)	Rate of Return (%)
NNPC Staff Pension Scheme	368,942.53	15.44%
ExxonMobil Nigeria Upstream Pension Trust	174,905.49	8.45%
Central Bank of Nigeria Staff Pension Fund	84,022.64	13.53%
NSITF Pension Fund	75,002.72	6.00%
Nigerian Ports Authority Gratuity	51,214.45	14.14%
West African Examinations Council Staff Pension Fund	29,206.17	7.82%
Jigawa (State and Local Governments) Pension Fund	20,127.52	11.24%

3.9 Review of Asset Classes

(i) Domestic Quoted Equities

Investments in quoted ordinary shares, were valued at ₦79.08 billion as at December, 2018, accounting for 8 percent of total AES Funds. This was a decrease in value when compared with the ordinary share value of ₦93.01 billion as at 31 December, 2017. The decline was attributed to the performance of both the Nigerian Stock Exchange All Share Index (NSE-ASI) and Market Capitalization, which depreciated by 17.81 percent and 13.89 percent, respectively, in 2018. Equity investment in the financial services sub-sector was the highest, accounting for 50 percent of total equity investments. Other significant investments were in Consumer Goods (28 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

As at 31 December, 2018, investments in Federal Government Securities, were valued at ₦638.80 billion, representing 65 percent of AES assets under management.

Table 3.38: AES Funds - Investments in FGN Securities

Asset Class	₦'Billion
FGN Bonds	422.44
Treasury Bills	216.36
Total	638.80

Table below provides the 'Term to Maturity' (TTM) profile of investments in FGN Bonds as at 31 December 2018:

Table 3.39: AES Funds - FGN Bonds Maturity Profile

S/N	Term to Maturity	Amount (N'million)	Weight (%)
	Bonds		
1	Below 3years	45,881.73	10.86
2	3years – 10years	232,754.78	55.10
3	Above 10years	143,804.38	34.04
	Total - FGN Securities	365,846.32	100.00

(iii) State Government Securities

The value of investments in State Government Bonds as at 31 December, 2018, was ₦13.74 billion, representing an increase of 15 percent over the corresponding figure in 2017, as a result of increased investments in bonds issued by the Lagos State Government during the year.

Table 3.40: AES Fund's Investment in State Government Bonds as at 31 December 2018

State Government	Credit Rating	Coupon Rate (%)	Term to Maturity (Years)	Maturity Date	Market Value of Investment N' Million	Weight (%)
Bayelsa State	A	16.50%	0.50	30-Jun-19	334.94	2.44%
Lagos State	A	13.50%	1.91	27-Nov-20	3,822.41	27.82%
Lagos State	A	14.50%	0.89	22-Nov-19	1,436.66	10.46%
Lagos State	A	16.50%	5.00	30-Dec-23	3,557.29	25.89%
Lagos State	A	17.25%	8.60	4-Aug-27	837.66	6.10%
Lagos State	A	16.75%	8.62	11-Aug-27	2,142.00	15.59%
Niger State	A	14.50%	2.95	12-Dec-21	569.49	4.15%
Osun State	A	14.75%	0.95	12-Dec-19	967.58	7.04%
Ekiti State	A	14.50%	2.00	31-Dec-20	70.76	0.52%
Total					13,738.79	100%

Investments in bonds issued by Lagos State Government accounted for 86 percent of total investment in State Government Bonds by the AES Funds.

(iv) Corporate Debt Securities

As at 31 December, 2018, investments of the AES Funds in Corporate Debt Securities were valued at ₦41.05 billion, accounting for 4 percent of the total value of AES Funds. The increase in the value of investments (₦13.68 billion), represented new investments and accrued coupons.

These investments were concentrated in instruments issued by companies in the financial and industrial sectors, which accounted for 84 percent of total holdings in this asset class.

(v) Domestic Money Market Securities

Investments in domestic Money Market Instruments were valued at ₦84.77 billion (9 percent of AES Fund) as at 31 December, 2018, representing an increase of 34 percent when compared to ₦63.17 billion as at 31 December, 2017. 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 ₦1.54 billion (less than 1 percent of the total AES Fund value), as at 31 December, 2018. Investments were spread across seven Collective Investment Schemes valued at ₦605.68 million and three Real Estate Investment Trusts valued at ₦931.57 million.

(vii) Real Estate Properties

Real Estate Properties were valued at ₦109.42 billion (11 percent of total Funds) as at December 2018, an increase in value of ₦15.46 billion when compared with the value of ₦93.96 billion as at December 2017. Major real estate investments were held by the following AES Funds: NNPC: ₦80.75 billion; WAEC: ₦18.64 billion; and NSITF: ₦9.75 billion. These investments are legacy real estate assets transferred to the Funds by the Scheme Sponsors. The real estate properties of the NNPC Pension Fund are however, yet to be transferred to licensed Pension Fund Custodians by the Scheme Sponsor. The Commission is still engaging the management of the NNPC Pension Fund and the Scheme Sponsor, NNPC in this regard.

(Viii) Private Equity Funds

Investments in Private Equity Funds valued at ₦88.13 million as at 31 December, 2018.

(ix) Infrastructure Funds

The investment of the AES Schemes in Infrastructure Funds were valued at ₦642.78 million as at 31 December, 2018. These investments were made solely in the Nigeria Infrastructure Debt Fund.

(x) Cash & Other Assets

Un-invested cash holdings were valued at ₦8.72 billion as at 31 December, 2018, 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 174,186 in December 2017 to 200,747 as at 31 December, 2018 as shown in Table 3.39. This represents an increase of 15.25 percent over the 2017 figures. A breakdown of the total number of retirees showed that while the Federal Government of Nigeria (FGN) retirees accounted for 114,922 (57.25 percent), the States accounted for 15,942 (7.94 percent), whereas the private sector accounted for 55,344 (34.81 percent) during the year.

Table 3.41: Payment of Retirement Benefits through Programmed Withdrawal

Year	Number of Retirees				Monthly Pension (₦ Million)	Lumpsum (₦ Million)
	FGN	State	Private	Total		
Cumulative To 2016	89,944	10,587	42,211	142,742	4,816.16	367,012.74
2017	14,451	3,860	13,133	31,444	1,070.95	81,714.35
2018	10,527	1,495	14,539	26,561	2,732.04	71,350.04
Total	114,922	15,942	69,883	200,747	8,619.15	520,077.13

As shown in Table 3.41, the sum of ₦81.71 billion and ₦1.07 billion were paid as total lumpsum and monthly pension respectively for the year 2017, while the sums of ₦71.35 billion and ₦2.73 billion were paid as total lumpsum and monthly pension respectively for the year 2018. The total monthly Programmed Withdrawal from inception to 31 December, 2018 is ₦8.62 billion, while the cumulative lumpsum paid from inception to date stood at ₦520.08 billion.

3.10.2 Pension Enhancement of Retirees on Programmed Withdrawal

The Commission had discovered that the returns being generated by the PFAs on the balances of the RSAs of majority of retirees under the Programmed Withdrawal (PW) could be used to enhance their monthly pensions. Accordingly, the Commission had approved the enhancement of Pension of 52,186 retirees, which amounted to total monthly enhanced pension of ₦1.71 billion as at December, 2018,

3.10.3 Retirement on Annuity

The total number of retirees on Annuity increased from 48,539 in 2017 to 61,652 as at 31 December, 2018 representing a growth of 27.02 percent as shown in Table 3.40. A breakdown of the total number of retirees shows that while the FGN retirees accounted for 39,393 (63.90 percent), the States retirees were 6,043 (9.80 percent) while the

private sector retirees were 16,216 (26.30 percent) as at the end of the year. A review of the number of retirees on annuity (61,652) comparative to programmed withdrawals (200,747) showed that 23.50 percent of the retirees were under annuity, while 76.50 percent were under programmed withdrawals.

However, during the year under review, a total 13,113 retirees retired under life annuity as shown in table 3.40. The 13,113 retirees received ₦16.48 billion as lump sum payment and paid premium of ₦87.25 billion to insurance companies and monthly annuity payments of ₦732.52 million.

Table 3.42: Payment of Retirement Benefits through Annuity

Year	Number of Retirees				Monthly Annuity (₦ Million)	Lumpsum (₦ Million)	Premium (₦ Million)
	FGN	State	Private	Total			
Cumulative To 2016	22,646	3,367	8,863	34,876	1,748.40	47,090.82	170,570.96
2017	9,071	1,133	3,459	13,663	778.74	13,201.88	71,051.45
2018	7,676	1,543	3,894	13,113	732.52	16,482.97	87,253.42
Total	39,393	6,043	16,216	61,652	3,259.66	76,775.67	328,875.83
Percentage	63.90	9.80	26.30	100.00			

Table 3.42 further shows that the cumulative Monthly Annuity paid to retirees from inception to date was ₦3.26 billion, after the payment of a cumulative lumpsum of ₦76.78 billion. The total premium transferred to Insurance Companies from inception to 31 December, 2018 stood at ₦328.88 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 ₦3.73 billion that were insufficient to provide at least 50 percent of last emoluments as monthly pension of 13,172 retirees either by Programmed Withdrawal or Annuity.

Table 3.43: En-bloc Payment of Retirement Benefits

Year	Number of Retirees					Amount (₦ Million)
	FGN	State	Private	Total	% of Total	
Cumulative To 2016	5,978	1585	68,031	75,594	73.38	18,242.40
2017	201	718	13,331	14,250	13.83	3,831.05
2018	194	537	12,441	13,172	12.79	3,727.47
Total	6,373	2,840	93,803	103,016	100	25,800.92

3.10.5 Payment of Death Benefits

During the year under review, approvals were granted for payment of death benefits to the named beneficiaries of 8,803 deceased employees of the FGN, State and Private Organizations amounting to ₦28.68 billion. The cumulative payment stood at ₦167.58 billion for beneficiaries of 54,312 deceased employees from inception to 31 December, 2018.

Table 3.44: Payment of Death Benefits

Year	Number of Retirees				Amount (₦ Million)
	FGN	State	Private	Total	
Cumulative To 2016	27,949	2,230	7,099	37,278	111,217.64
2017	4,619	1157	2,455	8,231	27,684.51
2018	5,344	953	2,506	8,803	28,682.14
Total	37,912	4,340	12,060	54,312	167,584.29

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. Retirees on medical ground were treated as normal retirees and placed on Programmed Withdrawal or Retiree Life Annuity.

3.10.7 Withdrawal of 25 percent of RSA Balance

This represents temporary access to RSAs for withdrawal of 25 percent of RSA balances to employees who were disengaged, resigned or retired from employment before the age of 50 years and have not secured another employment after 4 months.

During the year under review, approvals were granted for the payment of ₦20.86 billion to 52,414 RSA holders as shown in Table 3.43 below. A breakdown showed that Federal and States Governments accounted for 872 and 1,179 RSA holders respectively, while the Private Sector stood at 50,363. These figures showed a decrease in the turnover rate of staff in year 2018 compared to 2017.

From inception to date, a total of 302,735 RSA holders in this category have collected a cumulative amount of ₦103.42 billion. This represents a growth of 20.94 percent in the cumulative number of disengaged employees over the figures of 2017.

Table 3.45: Payment of 25 percent to RSA Holders

Year	Number of Retirees				Amount (₦ Million)
	FGN	State	Private	Total	
Cumulative To 2016	6,284	2493	184,128	192,905	61,889.75
2017	803	1374	55,239	57,416	20,676.35
2018	872	1,179	50,363	52,414	20,857.46
Total	7,959	5,046	289,730	302,735	103,423.56

3.10.8 Life Insurance Policy for Employees

In compliance with the PRA 2014, a total of 172 employers of labour covered under the CPS submitted their Certificates of Group Life Insurance Policy (GLIP) covering over 39,946 employees in the year under review. A breakdown of the 172 GLIPs submitted showed that 168 employers were from the private sector while the others were from Self-Funded FGN Agencies.

Table 3.46: Submission of Group Life Insurance Certificates for the year 2018

S/No	Sector	Number of Employers	Number of Employees
1	Private Sector	168	39,540
2	Government Institutions	4	406
	Total	172	39,946

3.11 Missing Person

During the period under review, the Commission received notification for 9 missing employees. Five (5) of the cases were decided and concluded by the Board of Inquiry while the remaining 4 cases were pending because of incomplete documentation. The Commission has informed the respective employers on the pending requests.

3.12 Minimum Pension Guarantee (MPG)

The Commission appointed Actuaries to determine the financial implication, amongst others, of the MPG and funding liabilities for the Pension Protection Fund (PPF). These processes are preparatory to concluding the requisite framework and guidelines for the eventual implementation of the MPG and associated issues.

PART FOUR

PENSION OPERATORS STATISTICS

4.1 RSA Registration by PFA

The PFAs registered a total number of 8,417,234 RSA holders as at 31 December, 2018 (see Table 4.1). An analysis of membership by PFAs shows that Stanbic IBTC PFA has the highest proportion of RSA registrations with 20.45 percent of the total registration. ARM Pension Managers Limited and Trustfund Pensions Plc followed with 8.84 and 8.52 percent respectively. Radix and Investment One Pension Fund Managers Limited registered 0.35 and 0.89 percent of the RSA holders respectively.

Table 4.1: RSA Registrations by PFA as at 31 December 2018

S/N	Name of PFA	RSA Registration	Weight (%)
1	AIICO Pension Managers Limited	229,395	2.73
2	APT Pension Funds Managers Limited	127,928	1.52
3	ARM Pension Managers Limited	743,890	8.84
4	AXA Mansard Pensions Limited	78,195	0.93
5	Crusader Sterling Pension Limited	313,330	3.72
6	FCMB Pension Managers Limited PFA	399,723	4.75
7	Fidelity Pension Managers Limited	236,064	2.80
8	First Guarantee Pension Limited	256,172	3.04
9	IEI-Anchor Pension Managers Limited	124,482	1.48
10	Investment One Pension Managers Limited	74,966	0.89
11	Leadway Pensure PFA Limited	584,994	6.95
12	NLPC Pension Fund Administrators Ltd	303,199	3.60
13	NPF Pension Managers	266,198	3.16
14	Oak Pensions Limited	197,167	2.34
15	Pension Alliance Limited	523,667	6.22
16	Premium Pension	658,678	7.83
17	Radix Pension Managers Limited	29,496	0.35
18	Sigma Pension Limited	698,482	8.30
19	Stanbic IBTC Pension Managers Limited	1,721,386	20.45
20	Trust Fund Pension PLC	717,388	8.52
21	Veritas Glanvills Pensions Ltd	132,434	1.57
	Total	8,417,234	100.00

A further analysis of PFAs ranking indicates that the top 3 PFAs accounted for 37.81 percent of total RSA registrations as demonstrated in Table 4.2. The top 5 and top 10 PFAs accounted for 53.93 and 79.18 percent proportion of the total RSA registrations respectively.

Table 4.2: RSA Registrations by Rank of PFAs

Rank	Total	Percentage of Total (%)
Top 3	3,182,664	37.81
Top 5	4,539,824	53.93
Top 10	6,664,737	79.18
Bottom 3	182,657	2.17
Bottom 5	435,067	5.17
Bottom 10	1,486,299	17.66

Furthermore, Table 4.2 shows that the bottom 3 PFAs accounted for 2.17 percent of total RSA registration. The bottom 5 and 10 PFAs accounted for 5.17 and 17.66 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 37.36 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 8.84 and 7.87 respectively.

Table 4.3: Pension Fund Assets under the Management of PFAs

PFA	RSA Fund I	RSA Fund II	RSA Fund III	RSA Fund IV (Retiree)	Total	Weight
	₦ 'Million				(₦ Million)	(%)
AllCO Pension Managers Limited	0.00	65,270.93	24,126.41	5,592.24	94,989.58	1.45
APT Pension Funds Managers Limited	42.54	35,859.35	15,181.75	2,175.95	53,259.59	0.81
ARM Pension Managers Limited	1,013.29	343,706.98	179,576.81	55,381.10	579,678.18	8.84
AXA Mansard Pensions Limited	6.90	17,076.46	2,571.24	755.18	20,409.79	0.31
Crusader Sterling Pension Limited	87.89	118,970.65	67,051.57	25,770.40	211,880.50	3.23
FCMB Pension Managers Limited PFA	108.98	114,078.91	62,634.64	22,391.38	199,213.92	3.04
Fidelity Pension Managers Limited	49.07	44,176.24	9,993.90	2,749.06	56,968.27	0.87
First Guarantee Pension Limited	10.61	93,176.20	64,854.63	24,130.04	182,171.48	2.78
IEI-Anchor Pension Managers Limited	54.24	30,403.12	6,246.11	1,971.44	38,674.91	0.59
Investment One Pension Managers Ltd	0.00	7,876.44	1,217.95	1,058.86	10,153.24	0.15
Leadway Pensure PFA Limited	393.93	184,076.88	94,448.17	29,652.79	308,571.76	4.71
NLPC Pension Fund Administrators Ltd	65.11	93,495.29	76,879.69	31,303.49	201,743.58	3.08
NPF Pension Managers	85.99	307,127.67	67,219.76	47,756.50	422,189.92	6.44
Oak Pensions Limited	46.30	40,816.59	32,701.28	8,980.91	82,545.08	1.26
Pension Alliance Limited	406.21	203,164.14	86,242.77	24,228.62	314,041.73	4.79
Premium Pension	11.57	237,467.29	212,962.37	65,617.82	516,059.06	7.87
Radix Pension Fund Managers Limited	1.61	1,427.62	445.99	221.9	2,097.12	0.03
Sigma Pension Limited	824.00	162,380.43	128,947.86	46,727.45	338,879.74	5.17
Stanbic IBTC Pension Managers Limited	3,104.22	1,437,899.57	781,111.97	228,027.05	2,450,142.80	37.36
Trust Fund Pension PLC	1,566.02	221,382.47	137,489.62	53,463.68	413,901.79	6.31
Veritas Glanvills Pensions Ltd	22.42	41,525.68	12,318.54	5,902.63	59,769.27	0.91
Total	7,900.89	3,801,358.92	2,064,223.02	683,858.48	6,557,341.32	100.00

Further analysis of the PFA rankings based on the pension assets under management showed that the top 5 PFAs and top 10 PFAs had 66.88 percent and 87.80 percent of the total assets under their management as shown in Table 4.4.

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

Rank of PFA	Percentage of Total
Top 3	54.07
Top 5	66.83
Top 10	87.80
Bottom 3	0.50
Bottom 5	1.90
Bottom 10	9.17

4.2 Pension Fund Contributions by PFA

A summary of the Pension Fund contributions received by PFAs suggests that one PFA had 36.02 percent of total pension fund contributions from inception to the end of 2018. The position also shows that the subsequent PFAs had 9.06 and 8.21 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, 2018

S/N	PFA	₦ Million	% of Total
1	AIICO Pension Managers Limited	80,813.02	1.53
2	APT Pension Funds Managers Limited	37,908.88	0.72
3	ARM Pension Managers Limited	434,205.62	8.21
4	AXA Mansard Pensions Limited	16,581.95	0.31
5	Crusader Sterling Pension Limited	153,361.54	2.90
6	FCMB Pension Managers Limited PFA	197,112.20	3.73
7	Fidelity Pension Managers Limited	42,238.17	0.80
8	First Guarantee Pension Limited	164,514.91	3.11
9	IEI-Anchor Pension Managers Limited	31,725.25	0.60
10	Investment One Pension Managers Limited	9,053.19	0.17
11	Leadway Pensure PFA Limited	258,610.35	4.89
12	NLPC Pension Fund Administrators Ltd	141,347.04	2.67
13	NPF Pension Managers	282,824.32	5.35
14	Oak Pensions Limited	75,778.47	1.43
15	Pension Alliance Limited	283,708.66	5.33
16	Premium Pension	479,268.60	9.06
17	Radix Pension Managers Limited	1,036.27	0.02
18	Sigma Pension Limited	284,680.45	5.38
19	Stanbic IBTC Pension Managers Limited	1,906,037.40	36.02
20	Trust Fund Pension PLC	363,265.77	6.87
21	Veritas Glanvills Pensions Ltd	48,683.35	0.92
	Total	5,292,755.40	100.00

A categorization of PFAs by market share of pension contributions illustrates that the top 3 and the bottom 3 PFAs had 53.29 percent and 0.50 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	2,819,511.62	53.29
Top 5	3,467,457.85	65.54
Top 10	4,654,228.29	87.93
Bottom 3	26,671.41	0.50
Bottom 5	96,305.53	1.82
Bottom 10	485,165.57	9.17

PART FIVE

OUTLOOK OF THE PENSION INDUSTRY

5.1 Regulatory and Supervisory Outlook of the Pension Industry

According to data gleaned from the Nigerian Bureau of Statistics (NBS), the pension industry currently contributes 6.69 percent of the Nigerian Gross Domestic Product (GDP) based on Q4 2018 statistics. Following the recovery from recession and positive GDP growth rates in the four quarters of 2018, it is expected that the Nigerian Pension industry would continue its contribution through the investment of pension assets in the various sectors of the Nigerian economy.

The amended Regulation on Investment of Pension Fund Assets would be issued in the first quarter of 2019. This is a key effort of the Commission meant to deepen the financial sector working in partnership with other regulatory agencies, other relevant government agencies and both local and international asset managers. The Commission would also continue to collaborate with relevant stakeholders to work on the development of new investible securities/asset classes for pension funds to further diversify the portfolio and ensure the generation of above-inflation returns in the long-run. It also aims to impact on the real sector of the economy, especially housing through the availability of safe investment outlets for pension funds.

The Commission is finalising plans to launch the Micro Pension Plan, which is a strategic initiative targeted at the self-employed and informal sector workers. This key strategic initiative aims to, amongst others, ensure the reduction in old age poverty for contributors through the provision of old age income plans, deepen and ensure attainment of the financial inclusion targets for Nigeria, and extend pension coverage to all Nigerians. It will also help increase the number of contributors to the CPS, drive greater participation in the scheme, provide better awareness and ensure excellence in service delivery.

As part of the efforts to ensure further improvements in service delivery and increased customer satisfaction, the Commission is deploying an Enhanced Contributor Registration System (ECSR), which will enable the resolution of the issues of multiple registration by contributors as well as the activation of transfer window for all contributors of the scheme. The ECSR will accommodate additional registration fields and 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) to replace the Risk Management and Analysis System (RMAS).

In its surveillance of the Pension Industry, the Commission will continue its application of the new Risk Based Supervision (RBS) model that was introduced in 2018 for the supervision of Operators in the industry. The new approach is in line with the RBS methodology adopted by the Financial Services Regulation Coordinating Committee (FSRCC). The model would enable the Commission to attain one of its key objectives which is to ensure a sound and sustainable pension industry.

The Commission would also seek to intensify its collaboration with other financial services regulators such as the Securities and Exchange Commission (SEC) and the Central Bank of Nigeria (CBN) in specific areas like the Micro, Small and Medium Scale Enterprises (MSME) agenda, and attainment of financial inclusion targets.

The Commission would continue to engage contributors, retirees and the general populace in the coming year by increasing its communication efforts with a mixture of traditional (print and electronic) and new (social) media methods and platforms to reach the populace. Planned engagements would include the pre-retirement workshops and stakeholders fora scheduled for industry players in 2019.

PART SIX: ADDRESSES AND PROFILES OF PENSION OPERATORS

6.1 Contact Details of Pension Fund Operators

Table 6.1: Pension Fund Administrators

S/No	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
1	AIICO Pension Managers Limited	Eguarekhide J. Longe	Plot 2, Oba Akran Avenue, Ikeja Lagos	08157306868	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@axamansard.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	Steve E. Nwadiuko (Ag. MD/CEO) Interim Management Committee	Irorun Plaza 65, Kudirat Abiola Way Oregun, Ikeja Lagos.	08033279973	snwadiuko@firstguaranteepension.com www.firstguaranteepension.com
8	Veritas Glanvills Pensions Limited	Adebayo Adesina	26 Commercial Avenue Yaba, Lagos	08055103341 07086458025	aadesina@vgpensions.com Website: www.vgpensions.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	FCMB Pensions Limited	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	Kunle Adeboye	Radix Pension Managers Limited 26, Adeola Hopewell Street Victoria Island Lagos	07085822828	kadeboye@radixpension.com
19	Sigma Pensions Limited	Emenike D Uduanu	No. 29 Durban Street, Off Adetokunbo Ademola Crescent, Wuse II, Abuja	08034039191	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 6.1 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	Mr. Tajudeen Abimbola Karim	Zasarii Building (behind Union Bank) 13, Cornelius Odior Street Off Hameed Kasumu Street Chevy Estate (Off Chevron Drive) Lekki, Lagos	08034881243	tkarim@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	Mrs.Joy Ojakovo	No 1, Abebe Village Road, Iganmu, Lagos	08033508399	joy.ojakovo@heineken.nl Website: 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	ifeanyi.ani@totalcpfa.com Website: www.total.com

Table 6.2 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 6.3: Profile of Pension Fund Administrators

S/N	PFA Name	Board of Directors		Paid-up Share Capital (N' million)	Number of Branches and Service Centre	External Auditors
1.	Aiico Pension Managers Limited	Ebi Ernest Chukwudi Mr. Eguarekhide J. Longe Chief (Dr.) O. Fajemirokun B. J. Oluwadiya Ademola Abimbola Adebisi Ayodele Bamidele Adewale Adegbite Edwin Igbiti Asue Ighodalo	Chairman Managing Director/CEO Director Director Director Director Director Director Independent Director	1,078,776,978	36	Ernst & Young
2.	APT Pension Funds Managers Limited	Alhaji Ado Yakubu Wanka Al-Mujtaba Abubakar Gumi Kasimu Garba Kurfi Mr. Bayo Williams Olugbemi Alhaji Muhammed Kabiru Musa Mr. Seni Adetu Ms. Oluwatomilola Otudeko Mrs. Juliet Anammah Mr. Festus Oladejo Ajani Alhaji Garba Ahmed Alhaji Tanimu Yakubu Muhammad-Ja	Chairman Managing Director/CEO Director Director Director Director Director Director Director Director Director	1,643,350,594	4	Muhtari Dangana & Co. (Chartered Accountants)
3.	ARM Pension Managers Limited	Christopher Nonyelum Okeke Mr. Wale Odutola Olayiwola Afolabi Ms. Jumoke Ogundare Mr. Sadiq Mohammed Mr. Daniel Akujobi Mr. Aliyu Yar'adua Mr. Souleymane Ba Mr. Kamar Bakarin Ms. Karima Olokun Ola	Chairman Managing Director/CEO Executive Director Director Director Director Director Director 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 Mr. Tosin Runsewe Alhaji Munir Baba Sola Adeeyo Mr. Sadiq Abubakar Bello 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 Yemi Adeola Ms. Bennedikter C. Molokwu Tofarati Augusto Lanre Adesanya Kunle Omiliani Femi Oyetunji Richard Asabia Conrad Ifoce Olufemi Odukoya Oluwole Bankole Oshin	Chairman Managing Director/CEO 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	Ivor Takor Stephen Esoduala Nwadiuko Johnny Ojeaga Simon Omotayo	Chairman (Interim Mgt. Committee) Ag. Managing Director Member (Interim Mgt. Committee) Ag. ED, Oprations	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.	Veritas Glanvills Pensions Limited	Alhaji Farouk Lawal Yola Mr. Adeyinka Sogunle Mr. Godson Upkevo Mr. Polycap Didam Mr. Nahim Abe Ibraheem Chief Adetunji Omisore Engr. Anthony Ojeshina Mrs. Priya Heal Mrs. Ify Umuunnakwe-Okeke	Chairman Vice Chairman Managing Director/CEO Director Director Director Director Director Independent Director	1,500,000,000	28	Muhtari Dangana & Co & Ahmed Zakari & Co
8.	Fidelity Pension Managers Limited	Johnson Chukwu Mrs. Amaka Andy-Azike Mr. Mike Osime Mr. Chris Okenwa Professor Ike S. Ndolo Justus Osueke	Chairman Managing Director/CEO Director Director Director Non-Executive 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' million)	Number of Branches and Service Centre	External Auditors
10.	Investment One Pension Managers Limited	Mrs. Adejoke Chukwuma Azubuike Okonkwo Mr. Nicholas Nyamali Mr. Bayo Omojola Mrs. Gbemi Adelekan Mrs. Taiwo Mudasiru Mr. Francis Ilenikhena	Chairman MD/CEO 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 Adediji Mr. Lanre Idris Mr. Olusakin Labeodan Mr. Kofo Majekodunmi Mr. Tunde Hassan-Odukale Mr. Ike Osakwe Mallam Ibrahim D. Waziri Mrs. Ijeoma Rita Obu Dr. Balla Swamy Mr. Scot O. Six	Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Director Director Director Director	1,642,360,710	35	Akintola Williams Deloitte & Touche
12	NPF Pensions Limited	IGP Suleiman Abba DIG Maigari Abbati Dikko Hamza Sule Wuro Bokki CP Abiodun Adebola Ige DSP Sulaiman Muhammad Abdul ACP Olusholla Babajide David Nicholas Nwalozie Nneji Abdulkareem Shehu Gezawa Sola Ephraim-Oluwanuga	Chairman Vice Chairman Managing Director/CEO Director Director Director Executive Director, Corporate Services Executive Director, Operations Independent Director	1,625,301,383	7	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' million)	Number of Branches and Service Centre	External Auditors
13.	FCMB Pensions Limited	Ladi Balogun Misbahu Umar Yola Mai Mustapha Muhammad Christopher Babatunde Bajowa Suzanne Olufunke Iroche Peter Obaseki James Ilori Kabir Usman	Chairman Managing Director/CEO Executive Director Executive Director Independent Director Director Director Director	800,000,000	29	KPMG Professional Services
14.	NLPC Pension Fund Administrators Ltd.	J. O. Emmanuel A. O. Kolawole Mrs. C. O. Oyeleye Samuel Adewole Balogun E. O. Eleramo A. A. Adeyeye Chief F. R. A. Marinho Senator O. O. Omilani Ahmed Musa Muhammad Remilekun Odunlami	Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Director Director Independent Director	1,493,486,221	5	Ajibade Durojaiye & Co (Chartered Accountants)
15.	Oak Pensions Limited	Dr. Awa Ibraheem Samuel Inyang Mr. Mohammed Baba Mr. Ganiyu Musa Mr. Anirejuoritse Ojuyah Mr. Abdul Lateef Adeyemi	Chairman Managing Director/CEO Director Director Director Independent Director	1,050,000,000	5	Ernst & Young

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
16.	Pensions Alliance Limited	Rilwan Bello Osagie Bammeke Morohunke Patrice Raymond Backer Mrs. Hamda Ambah Junaid Dikko Funmilayo Abimbola Omo Ms. Adesuwa Jamila Belo-Osagie Folashade Laoye Aliyu Abdullahi Mohammed Godwin Onoro Ms. Olufunsho Olusanya	Chairman Managing Director / CEO Director Director Director Director Director Independent Director Executive Director (Business Development) Executive Director (Operations) Alternate to Mrs. Hamda Ambah	1,100,000,000	40	KPMG Professional Services
17.	Premium Pension Limited	Arc. Yunusa Yakubu Umar Sanda Mairami Kabir Ahmed Tijani Kemi Oluwashina Mr Sadi Abdu Lamido Abubakar Yuguda Nelson Chidozie Nweke Haruna Yunusa Sa'eed Victor Chukwudi Anohu Ibrahim Alhassan Babayo Arc. Sale M. Yunusa Bade Adesina Mosun Bello-Olusoga	Chairman MD/Chief Executive Officer Executive Director Executive Director Executive Director Director Director Director Director Director Director Director Director	657,126,772	54	KPMG Professional Services

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

S/N	PFA Name	Board of Directors		Paid-up Share Capital (N' million)	Number of Branches and Service Centre	External Auditors
18.	Radix Pension Managers Limited	Mr. Abiodun Dabiri Kunle Adeboye Mr. Olaseni Oduwole Ms. Kikelomo Kasim Rotimi Fashola Mr. Ayuli Jemide	Chairman Managing Director/ CEO Executive Director Director Director Independent Director	1,000,000,000	6	SIAO Partners
19.	Sigma Pensions Limited	Mark Collier Emenike Dave Uduanu Ibrahim Balarabe Afolabi Folayan Daniel Broby Natalie Kolbe Tony Abakisi Umaru H. Modibbo Obafunmilayo Augusto Ngetha Waithaka	Chairman Managing Director/CEO ED Technical ED Operations Director Director Director Director Director Director	984,539,474	41	PricewaterhouseCoopers

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
20.	Stanbic IBTC Pension Managers Limited	Yinka Sanni Mr. Eric Fajemisin Steve Elusope Oladele Sotubo Nike Bajomo Abubakar Balarabe Mahmoud Cathy Echeozo Ladi Ajose-Adeogun Yemisi Ayeni Dominic Bruynseels Pius Apere Daniel Braie	Chairman Managing Director/CEO Director Director Director Director Director Director Director Director Director Director	1,000,000,000	35	KPMG Professional Services
21.	Trustfund Pensions Limited	Helen Da-Souza Ismail Mohammed Agaka Francis Olabode Johnson Isaac Yalah Olubiyi Oladipo Otegbeye Osaretin Demuren Ayuba Wabba Mobolaji Oludamilola Balogun Jude Chiemaka Dauda Kolapo Adedeji Musa Nasr Andrew Onyilokwu Babatunde Akinsola	Managing Director/CEO Chairman Director Director Director Independent Director Director Director Alternate director to Mr. Balogun Director Executive Director Executive Director Executive Director	2,000,000,000	44	Akintola Williams Deloitte House

APPENDIX 1: THREE YEAR FINANCIAL SUMMARY OF THE PENSION FUND OPERATORS COMPANY ACCOUNTS FOR THE PERIOD 2016 – 2018

Access Pension Fund Custodians Limited			
	2018 (N'000)	2017 (N'000)	2016 (N'000)
Assets			
Cash & cash equivalents	3,782,273	3,132,651	573,700
Loans and receivable	15,567	15,104	19,585
Held to maturity	-	-	-
Financial asset at amortised cost	70,038	240,218	2,337,750
Trade and other receivables	64,672	93,641	54,177
Current tax assets	-	-	-
Intangible assets	72,676	71,154	27,522
Investment property	175,000	175,000	170,000
Property and equipment	78,673	66,902	37,423
Total Assets	4,258,899	3,794,670	3,220,157
Liabilities			
Other liabilities	32,468	39,854	34,520
Deferred tax liability	13,071	6,357	5,049
Current income tax liability	144,509	26,544	18,421
Total Liabilities	190,048	72,755	57,990
Equity			
Share capital	2,000,000	2,000,000	2,000,000
Fair value reserve	-	238	(4,368)
Retained earnings	2,068,851	1,721,677	1,166,535
Total Equity	4,068,851	3,721,915	3,162,167
Total Equity and Liabilities	4,258,899	3,794,670	3,220,157
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHNSIVE INCOME			
Operating income	969,221	1,038,187	543,023
Operating expenses	(468,087)	(455,193)	(370,878)
Profit before income tax	501,134	582,994	172,145
Tax expense	(151,223)	(27,852)	(19,044)
Profit for the year	349,911	555,142	153,101

AIICO Pension Fund Managers Limited			
	2018 (N'000)	2017 (N'000)	2016 (N'000)
Assets			
Cash & cash equivalents	376,626	825,412	570,782
Financial assets			
- Held to maturity	945,845	551,789	475,101
- Available for sale	-	-	-
Trade and other receivables	280,485	205,962	144,568
Other assets	51,806	17,240	14,296
Property, plant and equipment	270,373	217,704	252,758
Intangible assets	21,068	22,583	3,226
Deferred tax assets	-	-	33,143
Total Assets	1,946,203	1,840,690	1,493,874
Liabilities			
Trade and Other payables	162,294	101,967	55,761
Interest-bearing loans and borrowings	-	-	-
Income tax payable	66,116	68,081	44,360
Total Liabilities	274,411	199,798	100,121
Equity			
Share capital	1,078,777	1,078,777	1,078,777
Irredeemable preference shares	-	-	-
Share premium	40,365	40,365	40,365
Statutory reserve	143,882	116,458	76,801
Fair value reserve	-	-	-
Retained earnings	408,768	405,292	197,810
Total Equity	1,671,792	1,640,892	1,393,753
Total Equity and Liabilities	1,946,203	1,840,690	1,493,874
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHNSIVE INCOME			
Income	1,579,060	1,481,987	1,127,683
Expenses	1,279,454	1,037,902	878,903
Profit/(Loss) Before Taxation	299,606	444,085	248,780
Profit/(Loss) After Taxation	219,394	317,260	172,514

Apt Pension Funds Managers Limited			
	2018	2017	2016
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash & cash equivalents	757,247	1,137,032	1,447,029
Fees and receivables	169,092	109,923	83,999
Financial assets	984,714	548,124	32
Prepayments	51,136	40,121	26,574
Property, plant & equipment	178,321	138,099	138,099
Intangible assets	14,280	17,153	9,496
TOTAL ASSETS	2,154,790	1,990,452	1,705,229
LIABILITIES			
Equity			
Issued share capital	1,643,351	1,643,351	1,643,351
Share premium	46,146	46,146	46,146
Statutory reserve	143,576	115,682	76,061
General reserve	195,176	98,088	(98,341,197)
Total Shareholders' equity	2,028,249	1,903,266	(96,575,640)
Total Shareholders' liabilities & equity	<u>2,154,790</u>	<u>1,990,454</u>	<u>(96,530,135)</u>
Funds under management	<u>55,571,235</u>	<u>50,433,342</u>	<u>36,075,458</u>
Gross revenue	<u>1,026,748</u>	<u>965,086</u>	<u>686,108</u>
Net operating income	246,171	366,938	216,522
Information Technology Development levy	<u>(2,462)</u>	<u>(3,669)</u>	<u>(2,165)</u>
Profi before taxation	243,709	363,269	214,357
taxation	(20,565)	(46,296)	(8,877)
profit after taxation	<u>223,144</u>	<u>316,973</u>	<u>205,480</u>
Earnings per share Basic	7	10	6
Earnings per share Adjusted	7	10	6

ARM Pension Managers Limited			
	2018 (N'000)	2017 (N'000)	2016 (N'000)
ASSETS			
Property and equipment	801,128	691,567	419,507
Intangible assets	1,001,735	941,165	985,706
Prepayments	324,895	387,167	
Long term investment securities	1,088,110	1,140,565	724,606
Non-current assets	3,215,868	3,160,464	2,147,819
Trade and other receivables	1,974,486	2,947,839	1,100,894
Prepayments	115,774	121,001	450,436
Short term investment securities	3,569,154	924,953	2,212,922
Cash and cash equivalents	1,526,313	1,834,128	537,247
Current assets	7,185,727	5,827,921	4,301,499
Total assets	10,401,595	8,988,385	6,449,318
Due to financial obligation	121,798	128,311	
Deferred tax liabilities	88,199	45,390	2,945
Non-current liabilities	209,997	173,701	2,945
Other creditors and accrued expenses	1,441,310	1,322,636	802,899
Due to financial institution	64,533	38,037	-
Dividend Payable	-	158,571	-
Tax payable	1,852,616	1,433,175	924,781
Current liabilities	3,358,459	2,952,419	1,727,680
Total liabilities	3,568,456	3,126,120	1,730,625
Equity			
Share capital	1,190,476	1,190,476	1,190,476
Share premium	18,162	18,162	18,162
Statutory reserve	2,050,427	1,642,657	1,260,331
Retained earnings	3,564,920	3,021,242	2,249,724
Fair value reserve	9,154	(10,272)	-
Total equity	6,833,139	5,862,256	4,718,693
Total equity and liabilities	10,401,595	8,988,385	6,449,318
Statement of profit or loss and other comprehensive income			
Revenue	9,128,592	8,122,495	6,546,174
Profit on ordinary activities before taxation	4,719,376	4,370,861	3,612,600
Taxation	(1,45,218)	(1,312,256)	(1,078,739)
Profit on ordinary activities after taxation	3,262,158	3,058,605	2,533,861
Basic and diluted earnings per share (kobo)	274	257	213

AXA MANSARD Pensions Limited			
	2018	2017	2016
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash and bank balance	95,195	60,847	34,690
Investment securities			
- FVOCI	1,164,288	-	-
- Available for sale	-	1,168,015	1,115,861
- Held to maturity	-	-	-
Account receivables	137,519	145,256	195,736
Intangible assets	43,705	6,879	6,187
Property and equipment	80,180	99,602	114,320
TOTAL ASSET	1,520,887	1,480,599	1,466,794
LIABILITIES			
Other liabilities	46,994	70,806	199,409
Current income tax liabilities	14,103	13,736	16,874
Deferred tax liability	-	14,782	15,578
TOTAL LIABILITIES	61,097	99,324	231,861
	1,421,952	1,381,275	1,234,933
CAPITAL AND RESERVES			
Share capital	1,723,060	1,723,060	1,723,060
Retained earnings	(314,504)	(397,427)	(494,818)
Statutory reserves	48,296	32,580	18,667
Fair value reserves	2,938	23,062	(11,976)
SHAREHOLDERS FUND	1,459,789	1,381,275	1,234,933
STATEMENT OF COMPREHENSIVE INCOME			
Net income	607,461	580,284	461,372
Operating expenses	(487,306)	(457,744)	(425,979)
RESULT FROM OPERATING ACTIVITIES	120,155	122,540	35,393
Profit before tax	120,155	121,089	34,221
Tax expense	5,573	(9,785)	(1,920)
PROFIT AFTER TAX	125,728	111,304	32,301

Crusader Sterling Pension Limited			
	2018	2017	2016
	(N'000)	(N'000)	(N'000)
Assets			
Cash and cash equivalents	264,435	250,209	267,376
Investment- At amortised cost	3,443,657	-	-
Investment- Held to maturity	-	3,494,948	2,831,695
Accounts and other receivables	350,390	294,245	249,255
Intangible assets	60,108	67,048	70,797
Property, plant and equipment	1,009,874	436,999	438,008
Total assets	5,128,464	4,543,449	3,857,131
Liabilities			
Other payables	632,086	522,112	386,256
Current income tax liability	387,382	295,165	238,945
Deferred tax liability	125,740	55,282	40,331
Total liabilities	1,145,208	872,559	665,532
Equity			
Share capital	1,341,206	1,341,206	1,341,206
Share premium	13,540	13,540	13,540
Statutory contingency reserve	780,645	622,797	472,354
Revenue reserve	1,847,865	1,693,347	1,364,499
Total equity	3,983,256	3,670,890	3,191,599
Total liabilities and equity	5,128,464	4,543,449	3,857,131

FCMB Pensions			
	2018	2017	2016
	(N'000)	(N'000)	(N'000)
BALANCE SHEET			
ASSETS			
Property and equipment	1,872,227	1,824,575	1,906,858
Intangible assets	44,833	35,761	33,026
Trade and other receivables	856,162	657,704	567,368
Prepayments	56,755	48,776	54,248
Investment securities	1,209,792	837,958	544,047
Cash and cash equivalent	412,255	452,543	210,901
Total assets	4,452,024	3,857,317	3,316,448
LIABILITIES			
Taxation payable	433,773	358,215	361,615
Trade and other payables	1,221,055	294,673	164,994
Provisions	-	-	-
Other liabilities	-	-	-
Employee benefits	72,177	52,780	53,350
Deferred tax liability	88,721	76,091	76,091
Total liabilities	1,815,726	781,761	656,050
Net assets	2,636,298	3,075,556	2,660,398
CAPITAL AND RESERVES			
Share Capital	800,000	800,000	800,000
Share Premium	404,142	404,142	404,142
Transfer to Statutory Reserves	633,536	505,261	395,327
Retained earnings (accumulated losses)	818,972	1,361,047	1,071,510
SHAREHOLDER'S FUNDS	2,636,298	3,075,556	2,660,398
Pension funds under management	273,090,702	234,914,690	193,616,789
Gross Revenue	3,095,858	2,773,821	2,295,893
Profit/(loss) on ordinary activities before taxation	1,459,093	1,135,930	931,828
Taxation	(432,893)	(256,459)	(288,282)
Profit/(loss) on ordinary activities after taxation	1,026,200	879,471	643,546
Earnings/(Loss) Per Share- Basic (kobo)	128	110	80
-Diluted (kobo)	128	110	80

Fidelity Pensions Managers Limited			
	2018 (N'000)	2017 (N'000)	2016 (N'000)
ASSETS			
Cash & cash equivalents	403,546	337,366	627,076
Receivables	253,863	188,378	73,990
Investment securities			
- Available for sale	-	-	1,027,927
- Held to maturity	-	2,318,271	651,697
- Amortised cost	2,285,310	-	-
Prepayments & other assets	32,152	-	33,919
Intangible assets	41,439	45,543	46,035
Property, plant & equipment	136,394	106,933	59,620
TOTAL ASSETS	3,152,695	3,030,410	2,529,917
LIABILITIES			
Accounts payable	78,714	38,145	36,486
Other creditors and accruals	19,503	72,254	282,509
Deferred tax liabilities	33,465	27,166	19,445
Current tax liabilities	74,334	74,452	58,726
TOTAL LIABILITIES	206,016	212,017	397,166
Shareholder's equity			
Paid up share capital	2,000,000	2,000,000	1,576,584
Share premium account	136,825	136,825	94,483
Available for sale reserve	-	-	(6,046)
Statutory reserve	230,519	188,358	136,628
Revenue earnings/(deficit)	579,335	493,210	99,549
Total shareholder's equity	2,946,679	2,818,393	2,132,751
LIABILITIES & SHAREHOLDERS' EQUITY	3,152,695	3,030,410	2,529,917
Gross revenue	1,300,784	1,265,005	861,352
Profit/(Loss) before taxation	418,014	505,144	327,416
Taxation	80,726	91,306	62,784
Total Comprehensive Income	337,288	413,838	264,632
Per Share Data (Kobo)			
Earnings/(loss) per share- Basic & diluted	17	21	17
Net asset per share	147	141	135

First Guarantee Pension Limited			
	2018	2017	2016
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash and cash equivalents	55,372	51,924	80,427
Other assets	8,357,233	6,565,370	4,815,444
Property and equipment	177,578	157,307	203,037
Intangible asset	12,161	33,286	55,179
Deferred Tax Asset	-	-	-
Statutory Reserve Deposit	501,235	445,026	237,329
Total Assets	9,103,579	7,252,913	5,391,416
LIABILITIES			
Other liabilities	771,576	695,056	640,048
Income tax liability	890,910	973,607	868,328
Deposit for shares	198,723	198,723	198,723
Deferred tax liability	28,610	26,288	21,345
Total Liabilities	1,889,819	1,893,674	1,728,444
CAPITAL AND RESERVES			
Share capital	583,847	583,847	583,847
Statutory reserve	918,074	686,221	412,103
Retained earnings	5,711,839	4,089,171	2,667,022
	5,359,239	3,662,972	5,359,239
Shareholders' Funds	9,103,579	7,252,913	5,391,416
Statement of Comprehensive Income			
	2018	2017	2016
	N'000	N'000	N'000
Gross earnings	3,489,713	3,189,793	2,169,124
Profit before taxation	2,288,632	2,133,827	1,255,167
Profit after taxation	1,854,830	1,696,267	947,320

First Pension Custodian Nigeria Limited

	2018 (N'000)	2017 (N'000)	2016 (N'000)
Assets			
Non-current Assets			
Property, plant and equipment	1,534,959	1,272,330	1,249,728
Intangible asset	4,434	6,729	5,883
Deferred tax asset	150,171	171,224	103,092
	1,689,564	1,450,283	1,358,703
Current Assets			
Loans & other receivables	714,890	764,521	564,321
Other assets	117,667	156,084	128,168
Investment securities	10,547,474	9,889,063	8,756,662
Cash & cash equivalents	1,827,967	1,475,645	87,052
	13,207,998	12,285,313	9,536,203
Total asset	14,897,562	13,735,596	10,894,906
Equity and Liabilities			
Equity			
Share capital	2,000,000	2,000,000	2,000,000
Retained earnings	9,176,737	8,436,036	6,358,893
Total equity	11,176,737	10,436,036	8,358,893
Non- current liabilities			
Deferred tax liabilities	-	-	-
Retirement benefit obligations	-	-	-
Current liabilities			
Creditors & accruals	1,204,809	1,084,985	746,933
Income tax liabilities	2,516,016	2,214,575	1,789,080
Total liabilities	3,720,825	3,299,560	2,536,013
Total equity and liabilities	14,897,562	13,735,596	10,894,906
Pension assets under custody	2,760,627,093	2,420,701,587	1,958,902,756
Non-pension assets under custody	12,865,621	621,991,192	551,562,982
Income Statement			
Gross earnings	8,134,071	7,808,475	5,549,097
Profit before income tax	5,790,735	5,767,967	4,054,342
Income tax expense	(1,560,215)	(1,405,693)	(1,224,818)
Profit for the year	4,230,520	4,362,274	2,829,524
Per share data			
Earnings per share – basic (kobo)	212	218	141

IEI ANCHOR PENSIONS MANAGER LIMITED			
	2018 (N'000)	2017 (N'000)	2016 (N'000)
Assets			
Cash and cash equivalents	112,913	81,413	91,746
Trade receivables	411,621	297,297	381,374
Financial assets	-	149,509	-
Property, plant & equipment	514,948	470,976	475,674
Intangible assets	8,271	9,521	4,271
Deferred tax assets	463,537	395,097	412,616
Total Assets	1,511,290	1,403,795	1,365,681
Liabilities & Equity			
Tax payables	23,359	18,879	-
Other liabilities	70,399	51,954	53,327
Current income tax liabilities	26,103	18,712	17,839
Deferred tax liabilities	61,525	53,190	36,916
Total liabilities	181,386	142,734	108,083
Equity			
Share capital	2,222,000	2,222,000	2,222,000
Share Premium	65,170	65,170	65,170
Retained earnings	(1,022,848)	(1,048,254)	(1,049,233)
Statutory reserve	32,954	22,145	19,660
Revaluation reserve	32,628	-	-
Total Equity	1,329,904	1,261,062	1,257,598
Total liabilities and equity	1,511,290	1,403,795	1,365,681

INVESTMENT ONE PENSION MANAGERS LIMITED

	2018 (N'000)	2017 (N'000)	2016 (N'000)
ASSETS			
Cash & cash equivalent	50,530	123,999	185,087
Financial Assets (held Maturity)	-	943,461	823,363
Financial Assets at amortised cost	1,119,453	-	-
Other assets	15,751	34,492	22,736
Trade and other receivables	24,769	28,832	20,386
Property, plant and equipment	37,559	20,775	18,861
Intangible assets	13,865	16,294	6,566
Total Assets	1,261,927	1,167,853	1,076,999
LIABILITIES			
Other liabilities	76,450	28,756	11,454
Current income tax payable	15,850	11,912	6,702
Total Liabilities	92,300	40,668	18,156
Equity			
Share Capital	1,500,000	1,500,000	1,500,000
Share premium	107,192	107,192	107,192
Accumulated losses	(444,902)	(480,007)	(548,349)
Statutory Reserves	5,337	-	-
Total Equity	1,169,627	1,127,185	1,058,843
Total liabilities and equity	1,261,927	1,167,853	1,076,999

Leadway Pensure PFA Limited			
	2018 (N'000)	2017 (N'000)	2016 (N'000)
ASSETS			
Cash & bank balances	1,230,633	789,239	907,719
Financial Assets- at amortised cost	3,014,487	3,319,105	2,444,842
Other assets	1,192,272	1,098,762	863,076
Intangible assets	108,586	44,447	50,192
Property plant and equipment	609,137	379,550	198,435
Investment property	687,257	673,781	660,651
Total assets	6,842,372	6,304,884	5,124,915
LIABILITIES			
Other liabilities	803,476	713,590	476,942
Current income tax payable	482,514	560,162	542,577
Deferred Taxation	65,996	37,246	21,176
Total liabilities	1,351,986	1,310,998	1,040,695
Equity			
Share Capital	1,642,361	1,642,361	1,642,361
Share premium	53,465	53,465	53,465
Statutory Reserve	950,676	770,125	574,463
Retained earnings	2,843,884	2,527,935	1,813,931
Fair value reserve	-	-	-
Total equity	5,490,386	4,99,886	4,084,220
Total liabilities and equity	6,842,372	6,304,884	5,124,915

NLPC Pension Fund Administrators Limited			
	2018	2017	2016
	(N'000)	(N'000)	(N'000)
BALANCE SHEET			
ASSETS			
Non- current Assets			
Property, plant and equipment	913,363	287,621	377,813
Financial assets	1,366,518	1,837,324	1,679,500
Intangible assets	61,393	68,743	71,422
Net Current Assets	4,443	122,880	(23,109)
	2,345,717	2,316,569	2,105,626
Equity and Reserves			
Paid up Share Capital	1,493,486	1,493,486	1,493,486
Share Premium	21,224	21,224	21,224
Statutory Reserves	392,754	333,105	268,675
Retained earnings	438,253	468,753	322,241
	2,34,717	2,316,569	2,105,626
Turnover and Profits			
Total Income	3,048,574	2,892,066	2,430,243
Profits before Taxation	630,919	770,800	569,405
Taxation	153,725	255,365	203,908
Profits after taxation	477,194	515,435	365,425
Basic Earnings Per N1 Ordinary Share	31.95	34.51	24.47
Net Assets Per N1 Ordinary Share	157.06	155.11	140.99

NPF Pensions Limited			
	2018 (N'000)	2017 (N'000)	2016 (N'000)
ASSETS			
Cash & bank balances	631,770	634,679	796,017
Trade and other receivables	893,451	912,266	696,859
Prepayments	484,452	747,106	920,459
Property, plant and equipment	4,550,438	3,166,917	1,008,987
Intangible assets	12,339	28,108	66,339
Deferred tax assets	-	-	-
Total Assets	6,572,450	5,489,076	3,488,661
Liabilities	1,773,982	1,690,150	1,693,460
Equity			
Share capital	1,740,733	1,693,460	1,693,460
Deposit for shares			-
General reserve	2,018,448	1,240,501	391,543
Statutory reserve	512,747	327,163	157,510
Grant	526,540	537,804	549,068
Total Shareholders' equity	4,798,468	3,798,926	2,791,580
Total liabilities & shareholders' equity	6,572,450	5,489,076	3,488,661
Funds under management			
Gross revenue	5,968,789	5,321,499	4,193,861
Net operating income	2,209,781	2,031,196	1,44,395
Information Technology Development Levy	(22,098)	(20,312)	(14,444)
Profit before taxation	2,187,683	2,010,884	1,429,951
Taxation	(703,011)	(653,660)	(312,384)
Profit after taxation	1,484,672	1,357,224	1,117,567
Earnings per share (kobo)			
Basic	85	80	66

OAK Pensions Limited			
	2018	2017	2016
	(N'000)	(N'000)	(N'000)
BALANCE SHEET			
ASSETS			
Cash & cash equivalents	137,315	227,988	776,153,177
Trade and other receivables	270,014	152,472	177,095
Financial investments – Held for trading	-	-	98
Financial investments – Held to maturity	956,904	1,056,856	116,291
Financial investments- Available for sale	142,826	53,436	37,626
Other assets	12,443	13,145	9,271
Prepayments	-	-	-
Property, plant and equipment	451,100	484,027	479,919
Intangible assets	31,967	13,827	8,522
Statutory cash reserve	9	6,136	4
Total assets	2,002,578	2,007,887	1,604,797,508
Liabilities			
Trade and other payables	169,973	129,032	85,992
Other liabilities	-	-	-
Income tax payables	27,362	59,416	67,754
Deferred tax payables	2,976	2,976	20,551
Impairment provision	13,776	-	-
Total liabilities	214,087	191,424	174,298
Equity			
Share Capital	1,050,000	1,050,000	1,050,000
Share Premium	116,388	116,388	116,388
Statutory reserve	142,646	112,846	64,984,282
Available for sale reserve	-	173	(2,715)
Retained earnings	479,457	537,056	(202,025)
Total Equity	1,788,491	1,816,463	1,430,682
Gross earnings	1,095,612	1,225,660	956,791
Profit before income tax	254,553	397,498	301,433
Income tax expenses	(15,690)	(14,605)	(70,548)
Profit for the year after income tax	238,863	382,893	230,885
Earnings per share (in kobo)	0.23	37	22

Pension Alliance Limited			
	2018 (N'000)	2017 (N'000)	2016 (N'000)
BALANCE SHEET			
ASSETS			
Cash and bank balances	493,811	689,510	1,339,952
Statutory reserve deposit	981,962	702,717	467,552
Investment in debt securities	1,343,029	1,258,565	277,194
Loans and advances	110,118	117,364	92,632
Other assets	1,093,897	1,089,974	939,916
Intangible assets	82,450	90,828	22,247
Property and equipment	435,009	422,097	298,066
Total Assets	4,547,516	4,371,055	3,437,559
LIABILITIES			
Current income tax liability	553,824	520,902	408,004
Deferred income tax liability	-	47,382	41,820
Other liabilities	311,889	526,433	250,675
Total liabilities	865,713	1,094,717	700,499
NET ASSETS	3,681,803	3,276,337	2,737,060
CAPITAL AND RESERVES			
Share Capital	1,100,000	1,100,000	1,100,000
Share premium	51,000	51,000	51,000
Statutory reserve	849,284	665,624	501,964
Retained earnings	1,681,519	1,459,714	1,084,096
SHAREHOLDERS' FUND	3,681,803	3,276,338	2,737,060
Operating income	4,855,745	4,303,148	3,385,662
Profit before tax	1,963,736	1,835,531	1,382,636
Tax	(494,461)	(526,253)	(394,246)
Profit after tax	1,469,275	1,309,278	988,390
Earnings per share (k)	134	119	90

Premium Pension Limited			
	2018 (N'000)	2017 (N'000)	2016 (N'000)
ASSETS			
Cash and cash equivalents	1,462,528	2,244,934	1,500,673
Investment securities	1,998,233	1,370,348	2,016,750
Prepayments	323,856	286,977	292,556
Trade and Other receivables	1,032,222	813,316	784,400
Property and equipment	1,763,257	1,570,262	1,545,433
Intangible assets	105,853	130,007	196,212
Total assets	6,685,949	6,415,844	6,336,024
LIABILITIES			
Other Creditors and accrued expenses	1,142,736	679,816	374,082
Defined contributory liability	-	-	-
Current tax liabilities	1,117,588	1,359,173	1,059,948
Deferred tax liabilities	364,760	239,103	207,724
Total liabilities	2,625,084	2,278,092	1,641,754
Equity			
Share capital	657,127	657,127	657,127
Share premium	97,162	97,162	97,162
Retained earnings	1,510,230	1,917,080	2,896,162
Statutory reserves	1,791,060	1,471,537	1,236,061
Fair value reserve	-	359	(197,075)
Treasury shares reserve	(786)	(5,961)	(681)
Capital reserve	6,071	448	5,514
Total equity attributable to equity holders of the company	4,060,865	4,137,752	4,694,270
Total liabilities and equity	6,685,949	6,415,844	6,336,024
Revenue			
Profit on ordinary activities before taxation	7,838,060	7,319,502	6,292,197
Taxation	3,661,518	2,814,412	2,905,689
Profit on ordinary activities after taxation	(1,105,329)	(930,604)	(753,887)
Earnings per share – basic/diluted (kobo)	2,556,189	1,883,808	2,151,802
	389	288	328

Radix Pension Fund Managers Limited

	2018	2017	2016
	(N'000)	(N'000)	(N'000)
ASSETS			
Cash & cash equivalent	184,491	850,827	1,071,615
Financial Assets (held Maturity)	-	-	-
Due from related parties	436,736	35,703	46,202
Other receivables and prepayment	124,761	140,635	36,949
Property, plant and equipment	225,263	195,990	1,246
Total Assets	971,251	1,223,155	1,156,012
LIABILITIES			
Accounts payable	150,711	72,262	161,353
Due to related parties	-	-	-
Income tax payable	14,281	10,014	5,118
Deferred tax liabilities	-	-	-
Deposit for shares	-	-	-
Total Liabilities	164,992	82,276	166,471
Equity			
Share Capital	1,000,000	1,000,000	1,000,000
Share premium	375,000	375,000	375,000
Statutory Reserve	16,926	16,926	16,926
Retained earnings	-690,652	-469,753	-402,186
	701,274	922,173	989,740
Total Equity & Liabilities	971,251	1,223,155	1,156,012

Sigma Pensions Limited			
	2018 (N'000)	2017 (N'000)	2016 (N'000)
ASSETS			
Cash and cash equivalent	404,144	1,672,374	1,413,748
Loans and other receivables	591,322	669,845	1,035,249
Investment securities	982,346	-	
Investment securities (restricted balances)	1,030,880	660,442	741,156
Restricted balances and other assets	706,488	923,223	-
Property, plant and equipment	575,179	543,223	587,647
Intangible asset	172,223	157,680	175,082
Total Assets	4,462,582	4,626,787	3,952,884
LIABILITIES			
Income tax liabilities	745,890	619,020	623,848
Deferred tax liabilities	36,460	29,459	39,723
Other liabilities	499,918	446,441	120,784
Total liabilities	1,282,268	1,094,920	784,255
EQUITY			
Share capital	984,539	984,593	984,539
Share Premium	77,511	77,511	77,511
Statutory reserves	1,168,423	992,122	823,638
Revaluation reserve	-	-	43,123
Retained earnings	949,841	1,477,695	1,239,718
Total Equity	3,180,314	3,531,867	3,168,529
Total equity and liabilities	4,462,582	4,626,787	3,952,884
Revenue			
	5,098,182	4,720,916	3,930,020
Net operating income	2,211,595	1,956,634	1,838,563
Taxation	(80,187)	(608,756)	(610,785)
Profit after taxation	1,410,408	1,347,878	1,227,778

**Stanbic IBTC Pension
Managers Limited**

	2018 (N'000)	2017 (N'000)	2016 (N'000)
Assets			
Cash and cash equivalent	10,218,063	2,789,119	17,558,452
Investible securities at FVTOCI	28,737,313	27,333,699	17,942,122
Investment securities at amortised cost	-	324,156	524,502
Trade and other receivables	6,585,668	3,397,984	3,053,176
Prepayments	978,236	1,251,177	1,206,980
Property & equipment	2,737,990	2,847,758	803,142
Deferred tax assets	306,540	213,569	67,205
Total Assets	49,563,810	38,157,462	41,155,579
Liabilities			
Trade and other payables	4,808,288	3,136,113	3,135,927
Tax payable	8,205,861	7,817,237	6,323,762
Total Liabilities	13,014,149	10,953,350	9,459,689
Net Assets	36,549,661	27,204,112	31,695,890
Capital and Reserves			
Share capital	1,000,000	1,000,000	1,000,000
Reserves	35,549,661	26,204,112	30,695,890
SHAREHOLDERS' FUNDS	36,549,661	27,204,112	31,695,890
Pension Funds under management	2,688,953,111	2,312,872,270	1,883,584,163

**TRUSTFUND PENSIONS
PLC**

	2017 (N'000)	2016 (N'000)	2015 (N'000)
Assets			
Cash and short term deposits	2,146,263	596,161	240,745
Trade and other receivables	1,050,238	707,865	859,490
Financial assets held to maturity	176,677	136,233	-
Other assets	228,722	263,159	252,519
Investment properties	5,151,000	4,901,451	4,244,888
Property, plant & equipment	872,966	801,458	740,826
Intangible assets	40,836	49,556	39,196
Total Assets	9,666,702	7,455,883	6,377,664
Liabilities & Equity			
Payables and other liabilities	680,850	839,061	699,738
Tax payable	637,727	505,087	451,342
Deferred tax liability	183,953	183,452	297,572
Total liabilities	1,502,530	1,527,600	1,448,652
Equity			
Share capital	2,000,000	1,000,000	1,000,000
Retained earnings	4,950,358	4,061,293	3,218,181
Statutory reserve	1,029,714	866,990	710,831
Total Equity	8,164,172	5,928,283	4,929,012
Total liabilities and equity	9,666,702	7,455,883	6,377,664

**UBA Pensions Custodian
Limited**

	2018 (N'000)	2017 (N'000)	2016 (N'000)
Assets			
Cash and cash equivalent	469,550	92,672	931
Investible securities	8,818,064	8,420,758	6,741,795
Property and equipment	204,260	62,557	43,177
Intangible asset	40,822	77,157	98,473
Other assets	1,330,319	1,303,314	975,945
Deferred tax assets	75,550	81,112	35,938
Total Assets	10,938,575	10,037,570	7,896,259
Liabilities			
Trade and other payables	1,130,025	1,124,465	394,440
Current tax liabilities	1,359,840	1,195,191	1,027,949
Other liabilities	3,340,000	3,200,000	2,400,000
Deferred tax liabilities	21,013	12,348	-
Total liabilities	5,850,878	5,532,004	3,822,389
Capital and Reserves			
Share capital	2,000,000	2,000,000	2,000,000
Retained earnings	3,087,697	2,505,566	2,073,870
SHAREHOLDERS' FUNDS	5,087,697	4,505,566	4,073,870
	10,938,575	10,037,570	7,896,259
Pension Funds under management	2,058,014,024	1,800,248,204	1,459,855,594

Veritas Glanvills Pensions Limited

	2018 (N'000)	2017 (N'000)	2016 (N'000)
ASSETS			
Cash & Bank Balances	33,051	310,845	147,246
Financial Assets	700,942	839,056	855,519
Trade and other receivables	139,967	175,813	134,034
Prepayment and other assets	24,857	17,472	17,006
Deferred tax assets	-	43,721	6,960
Intangible assets	29,844	22,203	46,472
Property, plant and equipment	898,914	313,290	280,707
	1,827,578	1,722,400	1,487,942
CURRENT LIABILITIES			
Trade and other payables	469,332	158,320	139,129
Tax Payable	10,933	14,454	25,538
Deferred Tax Liability	95,625	-	-
	575,892	81,727	84,661
Non-current liabilities	-	-	-
Total liabilities	575,892	172,775	164,667
CAPITAL AND RESERVES			
Share Capital	1,500,000	1,500,000	1,500,000
Statutory Reserve	67,251	67,252	47,271
Revaluation reserve	40,227	40,227	40,227
Retained earnings	(355,793)	(57,853)	(197,718)
	1,251,686	1,640,673	1,403,282
SHAREHOLDER'S FUNDS			
Total liabilities and equity	1,827,578	1,727,065	1,554,447
Revenue	1,047,728	966,780	744,929
Profit/(loss) Before Taxation	(140,607)	175,050	233,533
Taxation	(148,348)	(15,204)	(62,503)
Appropriation to statutory reserve	-	(19,981)	(21,379)
Profit/(loss) After Taxation	(288,955)	139,855	149,651
Earnings per share (Kobo)	-19	9	10

Zenith Pensions Custodian Limited

	2018 (N'000)	2017 (N'000)	2016 (N'000)
ASSETS			
Cash & cash equivalents	469,709	272,182	9,501,574
Investment securities	20,552,680	18,629,806	6,427,091
Trade and other receivables	994,659	818,368	623,599
Prepayment	454,791	406,995	570,963
Intangible assets	269,902	263,199	247,394
Property, plant and equipment	246,011	348,402	319,920
Total assets	22,987,752	20,738,952	17,690,541
LIABILITIES			
Current tax liabilities	1,798,491	1,839,385	1,479,495
Other liabilities	464,268	489,138	635,604
Deferred Tax Liability	19,260	50,009	13,256
Total liabilities	2,282,019	2,378,532	2,128,355
EQUITY			
Share Capital	2,000,000	2,000,000	2,000,000
Retained earning	18,705,733	16,360,420	13,562,186
Total Equity	20,705,733	18,360,420	15,562,186
Total liabilities and equity	22,987,752	20,738,952	17,690,541
Operating income	10,185,451	10,332,916	7,111,199
Operating expenses	(2,006,123)	(1,719,177)	(1,201,288)
Profit before income tax	8,179,328	8,613,739	5,909,911
Tax expense	(1,796,296)	(1,815,505)	(1,506,475)
Profit for the year	6,383,032	6,798,234	4,403,436
Earnings per share (Kobo)	319	340	220