



NATIONAL PENSION COMMISSION

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PRESS RELEASE

CLARIFICATION ON ALLEGED BREACH OF THE REGULATIONS ON INVESTMENT OF PENSION FUND ASSETS IN THE EQUITIES OF FBN HOLDING PLC BY LEADWAY PENSURE LTD

The Commission's attention has been drawn to several publications in the media alleging breach of its Regulation on investment of pension fund assets by Leadway Pensure Ltd, a licensed Pension Fund Administrator (PFA), in the equities of FBN Holdings Plc. The Commission categorically states that the allegations are **NOT** correct and must have been made based on the lack of understanding of the Investment Regulation issued by the Commission.

For the avoidance of doubt, the Commission wishes to clarify as follows:

1. The equity investments in FBN Holdings made by Leadway Pensure Ltd on behalf of the pension funds under its management are in the name of the pension fund and belong to the RSA holders.
2. Therefore, the equity investments in FBN Holdings Plc as stated in (1) above, cannot be appropriated or classified as shareholdings of any related party to the PFA.
3. Leadway Pensure Ltd is not in breach of the Investment Regulation by investing pension funds in the equities of FBN Holding Plc.
4. Records which can be confirmed from the Securities and Exchange Commission show that the equity investments in FBN Holdings Plc are in the name of the Pension Fund on behalf of the RSA holders.
5. For further clarification please note that:
 - a. Pension fund assets are managed by licensed PFAs and held in custody by Pension Fund Custodians (PFCs) on behalf of Retirement Savings Account holders and other beneficiaries of the Contributory Pension scheme (CPS), in line with the provisions of the Pension Reform Act 2014 (PRA 2014).
 - b. Section 69 (b) of PRA 2014 stipulates that the PFA and PFC shall take reasonable care that the management or custody of the pension funds is carried out in the best interest of the retirement savings account holders. Therefore, all investments made by licensed PFAs in eligible securities and corporate entities are "ring-fenced" and belong to the RSA holders and other pension beneficiaries. Accordingly, these pension assets cannot be appropriated directly or indirectly to any individual or related party of the PFA.
 - c. The provisions of Section 6.1(iii) of the Investment Regulation dealing with conflict of interest, stipulate that *"The PFA or any of its agents are prohibited from investing Pension Fund Assets in the shares or any other securities, issued through public or private placement arrangements, by related party/person of any shareholder of the PFA".* Related persons/party as defined in Section 1.10 of the Investment Regulation *"includes natural persons related by blood, adoption or marriage; legal entities one of which has control or significant influence over the other, or both of which are controlled by some other person or entity; a corporate entity where any of the aforementioned holds 5% or more beneficial interest; and any other relationship that can be reasonably construed as related persons or parties".*
6. In view of the foregoing, the Commission reiterates that there was no breach of its Investment Regulation whatsoever and invites the general public to be guided accordingly.
7. The Commission restates its commitment to fulfilling its regulatory and supervisory functions as well as ensuring the safety of pension assets and the soundness of the Pension Industry.

SIGNED: MANAGEMENT