



**NATIONAL PENSION COMMISSION
(PenCom)**

**FOURTH QUARTER 2021
REPORT**

MISSION STATEMENT

Mission

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

Table of Contents

FOURTH QUARTER 2021 REPORT	1
MISSION STATEMENT	i
SECTION ONE	3
Pension Operating Environment	3
1.1 Macroeconomic Development	3
1.2 Fiscal and Monetary Policy Update	3
1.3 Developments in the Capital Market	3
1.2.1 The Stock Market	3
1.2.2 The Fixed Income Market Update	4
SECTION TWO	5
Regulatory and Supervisory Activities	5
2.1 Surveillance of the Pension Industry	5
2.1.1 Update on the On-Site Examinations of Licensed Pension	5
2.1.2 Appointment of Board Members of PFOs	5
2.1.3 Resignation of Board Members of PFOs	5
2.1.4 Circulars Issued by the Commission	6
2.2 Update on Compliance by the Private Sector	6
2.2.1 Issuance of Pension Clearance Certificates	6
2.2.2 Update on the Recovery of Outstanding Pension Contributions and Penalties from Defaulting Employers	6
2.2.3 Update on Refund of Pension Contributions to Military Personnel and Employees of the State Security Agencies	7
2.2.4 Supervision of the Pension Transitional Arrangement Directorate (PTAD)	7
2.2.5 Update on the Nigeria Social Insurance Trust Fund (NSITF)	7
2.3 Compliance by State Governments	7
2.3.1 Status of Implementation of the CPS and other Schemes	7
2.3.2 Update on Sensitization/Capacity Building Workshops and Engagements	8
2.4 Update on the Micro Pension Plan	9
2.4.1 Micro Pension Registration and Contribution	9
2.4.2 Contingent Withdrawals	9
2.4.3 Conversion from MPP to CPS	10
2.4.4 Update on Engagement with Micro Pension Stakeholders	10
2.5 Update on RSA Registrations	10
2.5.1 RSA Membership Count by PFA	10
2.5.2 Gender and Age Distribution	11
2.5.3 Employer Code Generation	12
2.5.4 Update on the RSA Transfer System (RTS)	13
SECTION THREE	14
Pension Industry Statistics	14
3.1 Schemes Membership	14
3.1.1 Membership of RSA	14
3.1.2 PFA Market Share by RSA Registration	14
3.1.3 Memberships of CPFAs and AES	15
3.2 Pension Contributions	15
3.2.1 Ranking of PFAs by the Amount of Contributions Received	16
3.3 Overview of the Pension Industry Fund Portfolio	17
3.3.1 Pension Fund Portfolio	17
3.3.2 Review of RSA Funds	19
Review of CPFA/AES Funds	24
3.4 Retirement/Terminal Benefits	26
3.4.1 Retirees through Programmed Withdrawal (PW)	26
3.4.2 Retirement through Retiree Life Annuity	27
3.4.3 Approval of Death Benefits	27
3.4.4 Enbloc Payment of Retirement Benefits	27

3.4.5	Withdrawal Due to Temporary Loss of Employment.....	28
3.4.6	Voluntary Contributions.....	28

List of Tables

<i>Table 2.1: Names of Newly Appointed Board Members of PFOs.....</i>	<i>5</i>
<i>Table 2.2: Names of Board Members that Exited from the Board of PFOs.....</i>	<i>6</i>
<i>Table 2.3: Status of Implementation of the CPS by States.....</i>	<i>8</i>
<i>Table 2.4: Contingent Withdrawals During Q3 2021.....</i>	<i>9</i>
<i>Table 2.5: RSA registration count by PFA from inception to date.....</i>	<i>10</i>
<i>Table 2.6: Employer Codes Generated within the Period Under Review.....</i>	<i>13</i>
<i>Table 3.1 Schemes Membership as at Q2 2021.....</i>	<i>14</i>
<i>Table 3.2 RSA Registration by Market Share.....</i>	<i>15</i>
<i>Table 3.3 Range of RSA Registration by PFAs as at 30 June 2021.....</i>	<i>15</i>
<i>Table 3.4 Pension Contributions as at Q3 2021.....</i>	<i>16</i>
<i>Table 3.5: PFA Ranking by Size of Contributions during Q3 2021.....</i>	<i>17</i>
<i>Table 3.6 Pension Fund Portfolio by Fund Type as at 30 September 2021.....</i>	<i>17</i>
<i>Table 3.7 Comparative Pension Industry Portfolio Q2 2021 vs. Q3 2021.....</i>	<i>18</i>
<i>Table 3.8 RSA 'Active' Fund Assets –Q1 2021 vs. Q2 2021.....</i>	<i>19</i>
<i>Table 3.9 RSA "Active" Funds – as at Q3 2021.....</i>	<i>20</i>
<i>Table 3.10: RSA "Active" Fund -Sources of Portfolio Growth Q2:2021 vs Q3.....</i>	<i>21</i>
<i>Table 3.11: RSA Funds - Average Rate of Return – Q3: 2021.....</i>	<i>21</i>
<i>Table 3.12: RSA 'Retiree' Fund Assets Q2.2021 vs Q3 2021.....</i>	<i>22</i>
<i>Table 3.13: RSA Retiree Funds - Major sources of Portfolio Growth.....</i>	<i>23</i>
<i>Table 3.14: Summary of CPFAs Pension Assets – Q2 2021 vs Q3 2021.....</i>	<i>24</i>
<i>Table 3.15: CPFAs Funds - Major sources of Portfolio Growth/Diminution.....</i>	<i>24</i>
<i>Table 3.16: Summary of AES Pension Assets.....</i>	<i>25</i>
<i>Table 3.17: AES Funds - Major sources of Portfolio Growth/Diminution.....</i>	<i>26</i>
<i>Table 3.18 Retirement by Programmed Withdrawal during the Q3 2021.....</i>	<i>26</i>
<i>Table 3.19: Retirement by Annuity During Q3 2021.....</i>	<i>27</i>
<i>Table 3.20 Approval of Death Benefit During Q3 2021.....</i>	<i>27</i>
<i>Table 3.21 Enbloc Payment of Retirement Benefits During Q3 2021.....</i>	<i>28</i>
<i>Table 3.22 Withdrawal Due to Temporary Loss of Employment.....</i>	<i>28</i>
<i>Table 3.23: Accessing Voluntary Contributions During Q3 2021.....</i>	<i>28</i>

SECTION ONE

Pension Operating Environment

1.1 Macroeconomic Development

The Nigerian economy was projected to return positive growth owing to factors such as higher consumer spending, positive impact of fiscal and monetary interventions by the government, even as the base effect of inflation rate trended downwards during the fourth quarter 2021. The headline inflation rate declined to 15.4% in November 2021 from 18.2% recorded in March 2021, driven by reduced pressure on food inflation rate. However, on an annual basis, average inflation rate remained high at 17.1% as at end of 2021.

Nigeria's external reserves closed on a higher note relative to Q1 2021 when it recorded US\$35.6 billion and eventually rose to US\$40.7bn by December, 2021. Key factors that led to the increase in external reserves included; Approval of the US\$3.35 billion Special Drawing Rights (SDRs) by the International Monetary Fund and the US\$4 billion raised from the issuance of Eurobond.

1.2 Fiscal and Monetary Policy Update

The challenges encountered with oil production in Q4 2021 resulted in an underperformance of oil revenue in 2021 as a shortfall of 38.5% was recorded during the quarter while debt servicing over the same period exceeded its pro rata figure by 32%. Debt servicing to aggregate Federal Government revenue ratio was 73.7% as at August.

The Monetary Policy Committee maintained its policy stance for seven consecutive meetings as Monetary Policy Rate (MPR) was maintained at 11.5%; the Asymmetric Corridor at +100/-700 basis points around the MPR while the Cash Reserve Ratio (CRR) was retained at 27.5 % and Liquidity Ratio closed at 30% percent all through the year.

1.3 Developments in the Capital Market

1.2.1 The Stock Market

The Exchange experienced a bullish run in Q4'2021, ending on a strong note, as the All Share Index (ASI) closed at 42,716.44 points while the total market capitalization stood at N43.12 trillion. This was impacted by series of events that occurred during the year; from rising fixed income (FI) yields to global oil price recovery, recurring foreign exchange (FX) concerns, and emergence of the Omicron variants of the COVID'19. Fixed-income rates rose from historic lows in 2021, owing to changes in market dynamics and market regulators' actions.

Trading activities reduced significantly in Q4 2021 when compared with the corresponding period Q4 2020. The total volume and value of securities traded decreased by 37.45% and 31.95% respectively. The average daily volume traded in the quarter was 395.09 million units, while the average daily value traded was N4.59 billion (\$10.54 million). At the end of the quarter, the equity turnover velocity was 5.09%.

1.2.2 The Fixed Income Market Update

The total turnover in the Fixed Income and Currencies markets as at 31 December 2021 was ~~N~~20.54trn. In the primary markets, average discount rates for the 91-day, 182-day and 364-day Treasury Bills decreased to 2.49%, 3.45% and 4.95% respectively whilst the average discount rates for CBN OMO bills with comparable tenors remained flat within the range of 7.00% - 10.10%.

During the period under review, the Open Market Operations (OMO) bills were the most traded Fixed Income securities, with a 10.00% (~~N~~0.32trn) increase in turnover. Trading intensity for OMO bills increased by 37 basis points (bps). Similarly, turnover across other fixed income products such as FGN Bonds, CBN Special Bills and Other Securities also increased except turnover for Treasury Bills which decreased by 49.08% (~~N~~1.33trn), to ~~N~~1.38trn as at 31 December 2021.

1.2.3 Money Market Update

Total turnover in the Money Market segment increased by 23.41% (~~N~~0.96trn) to ~~N~~5.06trn as at December 2021. The increase was driven by the 23.82% (~~N~~0.96trn) increase in Repos/Buy-backs turnover, respectively. The total number of executed decreased, driven mainly by the decrease in trading activity for Treasury Bills and OMO bills. The daily average trade size in Q4 2021 was ~~N~~0.19trn and driven mainly by the 257.08% (~~N~~0.02trn) increase in the daily average trade size of CBN Special Bills.

SECTION TWO

Regulatory and Supervisory Activities

2.1 Surveillance of the Pension Industry

2.1.1 Update on the On-Site Examinations of Licensed Pension Operators

The Commission commenced the 2021 Routine Examination of Pension Fund Operators (PFOs) in accordance with Section 92 of the Pension Reform Act (PRA) 2014. During the quarter under review, the Commission examined fourteen (14) PFOs.

2.1.2 Appointment of Board Members of PFOs

The Commission approved the appointment of Board members for eleven (11) Pension Fund Operators during the quarter under review. The appointees are listed in table 2.1 below:

Table 2.1: Names of Newly Appointed Board Members of PFOs

S/N	NOMINEE	OPERATOR	POSITION
1	Olusegun Aganga	Leadway Pensure	Chairman
2	Titi Odunfa Adeoye	FCMB Pensions	INED
3	Joseph Ajaero	Trustfund Pensions	NED
4	Charles Ifedi	PAL Pensions	NED
5	Abiodun Yusuf	Progress Trust CPFA	NED
6	Adefoluso A. Agbede	NLPC PFA	ED
7	Mr. Yomi Onitiju	UBA PFC	ED
8	Babatunde Ottun	AIICO Pensions	Ag. MD/CEO
9	Asue Ighodalo		Ag. Chairman
10	Victor Ibiakuchi	Total	NED
11	Jolaade Oduntan	IEI-Anchor	Ag. MD/CEO
12	Temitope Adegbonmire	Chevron CPFA	MD/CEO
13	Donald Okorie Onuoha	Fidelity Pension	Ag. MD/CEO

2.1.3 Resignation of Board Members of PFOs

In a similar vein, the Commission approved the exit of some Board members from the Board of seven (7) Pension Fund Operators during the quarter under review. Those who exited are listed in table 2.2 below:

Table 2.2: Names of Board Members that Exited from the Board of PFOs

S/N	NOMINEE	OPERATOR	POSITION
1	Adesola Okeowo	Chevron	Managing Director
2	Adeniyi Falade	CrusaderSterling	Managing Director
3	Conrad Ifode		Executive Director
4	Sarbeswar Sahoo	Leadway Pensure	Non-Executive Director
5	David Bell		
6	Amaka Andy-Azike	Fidelity Pension	Managing Director
7	Glory Etaduovie	IEI-Anchor Pension	
8	Eguarekhide Longe	AIICO Pension	
9	Adeyoola Adebayo	First Pension Custodian	Company Secretary

2.1.4 Circulars Issued by the Commission

The Commission approved the issuance of the under listed circulars during the quarter under review:

- i) Circular on the “Commencement of Capturing 10 Fingerprint Images for Retirement Savings Account (RSA) Registration and Data Recapture”.
- ii) Circular on “Prior-approval by the Commission of External Audit Fees chargeable to Pension Funds”

2.2 Update on Compliance by the Private Sector

2.2.1 Issuance of Pension Clearance Certificates

The Commission received 1,800 applications from private sector organizations for the issuance of Pension Clearance Certificates (PCCs). Out of this number, PCCs were issued to 1,526 organizations, while 274 applications were in the approval process as at end of Q4,2021. The records showed that the 1,526 organizations had remitted a total sum of ~~N~~4,047,499,080.64 into the Retirement Savings Accounts of their employees totaling 15,603.

2.2.2 Update on the Recovery of Outstanding Pension Contributions and Penalties from Defaulting Employers

Following the issuance of demand notices to defaulting employers whose pension liabilities were established by the Recovery Agents (RAs), the sum of ~~N~~984,295,614.20 representing principal contribution (~~N~~406,421,486.65) and penalty (~~N~~577,874,127.55) was recovered from 36 defaulting employers during the quarter under review. Meanwhile, 18 defaulting employers have been recommended for appropriate legal action.

2.2.3 Update on Refund of Pension Contributions to Military Personnel and Employees of the State Security Agencies

During the quarter under review, the Commission granted approval for the refund of ₦1,178,670.15 to 8 personnel of the Military and other Security Agencies who were exempted from the Contributory Pension Scheme (CPS).

2.2.4 Supervision of the Pension Transitional Arrangement Directorate (PTAD)

The Commission continued to monitor the payment of pensions to Public Service retirees under the Defined Benefits Scheme (DBS) through monthly statutory returns rendered by the PTAD. The Commission received thirty-two (32) complaints regarding the DBS during the quarter.

2.2.5 Update on the Nigeria Social Insurance Trust Fund (NSITF)

During the quarter under review, the Commission received applications for transfer of NSITF contributions on behalf of 208 NSITF contributors. Approval was granted to transfer ₦10,767,194.61 to the Retirement Savings Accounts (RSAs) of 180 members. However, the Commission declined the request for the transfer of ₦2,389,145.53 to 28 NSITF contributors due to differences on the amount submitted by PFA and the balances on the NSITF database. On a similar note, the Commission approved monthly pensions in the sum of ₦54,594,952.61 to 2,305 NSITF pensioners.

2.3 Compliance by State Governments

2.3.1 Status of Implementation of the CPS and other Schemes

As at Q4 2021, twenty-five (25) States of the Federation had enacted pension laws on the CPS, while seven (7) States were at the bill stage. Out of the five (5) States operating other pension schemes, four (4) States adopted the Contributory Defined Benefits Scheme (CDBS), while one, (Yobe State) operates the Defined Benefits Scheme (DBS). The level of compliance by States with the CPS is as detailed in Table 2.3 below:

Table 2.3: Status of Implementation of the CPS by States

STATUS OF IMPLEMENTATION OF THE CPS IN STATES AND FCT AS AT JUNE 2021										
States at Bill Stage	States with Enacted laws on CPS	States with pension Bureau/Boards in line with CPS	States Remitting ER & EE Pension Contributions	States that Conducted Actuarial Valuation	Availability of RBBRFA	Funding of Accrued Rights	Payment of Pension Under CPS	Valid Group Life /Sinking Fund	States Remitting only EE Pension Contributions	States with Other Pension Schemes***
Number of States										
7	25	15	10	7	9	6	5	5	2	5
KWARA	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	KEBBI	JIGAWA
PLATEAU	FCT	FCT	FCT*	FCT	FCT	FCT	FCT	FCT	RIVERS	KANO
RIVERS	OSUN	OSUN	OSUN*	OSUN	OSUN	OSUN	OSUN	OSUN		YOBE
BORNO	KADUNA	KADUNA	KADUNA	KADUNA	KADUNA	KADUNA	KADUNA	KADUNA	ONDO	GOMBE
AKWA IBOM	DELTA	DELTA	DELTA*	DELTA	DELTA	DELTA	DELTA	DELTA	EDO	ZAMFARA
BAUCHI	EKITI	EKITI	EKITI*	EKITI	ANAMBRA (LG)	ANAMBRA (LG)				
KATSINA	ONDO	ONDO	ONDO*	RIVERS	RIVERS					
	EDO	EDO	EDO		NIGER					
	BENUE	BENUE	BENUE		EKITI					
	KEBBI	KEBBI	ANAMBRA*							
	NIGER	NIGER								
	RIVERS	RIVERS								
	OGUN	OGUN								
	BAYELSA	BAYELSA								
	KOGI	KOGI								
	ANAMBRA									
	ABA									
	TARABA									
	IMO									
	SOKOTO									
	ADAMAWA									
	EBONYI									
	NASARAWA									
	ENUGU									
	OYO									
KEY										
* States with backlog in remittance										
***States implementing CDBS										

2.3.2 Update on Sensitization/Capacity Building Workshops and Engagements

The Commission carried out sensitization workshops, capacity-building programs, and stakeholder engagement meetings during the quarter under review. The activities include:

- A meeting with 4 pioneer PFAs managing a majority of the RSAs of employees of Kaduna State to review the solutions proposed by the PFAs and Kaduna State to address the accrued rights liabilities owed to the retired and disengaged employees of the State.

- Appraised and endorsed the issuance of a letter of ‘No Objection’ to list the Lagos State ₦125 billion bond as an investible instrument in the Pension Industry following satisfaction of the conditions stipulated in the Commission’s extant circular. This is part of the tranche bond issuance by the State from the balance of its ₦500 Billion Bond Issuance Programme
- Conducted various workshop on the developments in the Contributory Pension Scheme for a number of public and private sector organisations across the six geopolitical zones of Nigeria. The organisations included, Assene Laborex, the National Arts Theatre, Nigerian Institute of Medical Research, Nuclear Regulatory Authority, National Agency for Food and Drug Administration and Control, Public Complaints Commission and Federal Inland Revenue Service. etc.
- Participated at the National Peer Group Program (NAPGEP) Train the Trainer Scheme for the Volunteer Corps Members mobilized in Batch C as well as in the Flag-off Ceremony of the Financial Inclusion Week for Women and Youths organized by the Central Bank of Nigeria in Ebonyi and Bayelsa States, respectively.

2.4 Update on the Micro Pension Plan

2.4.1 Micro Pension Registration and Contribution

Nineteen (19) PFAs registered 2,166 contributors during the quarter under review. This brought the total number of Micro Pension contributors to 73,600 as at 31 December 2021. Similarly, the sum of **₦25,094,874.26** was credited into the RSAs of **8,260** MPP Contributors in Q4 2021, bringing the total value of the Micro Pension Fund to **₦224,054,870.69** as at end of the quarter under review

2.4.2 Contingent Withdrawals

Ten (10) PFAs processed and approved requests for contingent withdrawals amounting to **₦7,531,505.51** from twenty (22) MPP contributors during the quarter, as shown in Table 2.4 below:

Table 1.4: Contingent Withdrawals During Q4 2021

Period	No. of PFAs	No. of Contributors	Amount Withdrawn (N)	Cumulative (N) (from Inception to 30 June 2021)
Sept -Dec.2 021	10	22	₦7,531,505.51	18,869,157.41

2.4.3 Conversion from MPP to CPS

During the quarter, thirty-nine (39) Micro Pension Participants converted to the Mandatory CPS and the sum of **₦596,339.27** was transferred to their respective RSAs. This brings the total conversion balance to **₦3,680,292.77** from **259** Micro Pension Contributors as at 31 December 2021.

2.4.4 Update on Engagement with Micro Pension Stakeholders

The Commission participated at the 2021 Lagos International Trade Fair organised by the Lagos Chamber of Commerce and Industry (LCCI) in collaboration with the Lagos State Government. The Fair provided the opportunity to sensitise members of the public on the workings of the Micro Pension Plan as well as respond to other inquiries on the CPS.

Conducted workshop on the MPP for Alaba International Amalgamated Traders Association and Association of Progressive Traders of Nigeria.

Participated at the 8th Kwara State Trade Fair and took advantage of the event to engage with self-employed individuals and small business owners on the Micro Pensions Plan.

2.5 Update on RSA Registrations

2.5.1 RSA Membership Count by PFA

The PFAs registered a total of 67,954 RSAs during the quarter under review. This brought the cumulative RSA registrations from inception to 9,529,127 as at 31 December 2021. Table 2.5 below provides further details.

Table 2.5: RSA registration count by PFA from inception to date

SN	PFA	Total RSA Registrations ITD	%
1	AllCO Pension Managers Limited	255,445	2.7
2	Apt Pension Funds Managers Limited	158,999	1.7
3	ARM Pension Managers (PFA) Limited	852,416	8.9
4	Crusader Sterling Pensions Limited	359,212	3.8
5	FCMB Pensions Limited	456,959	4.8
6	Fidelity Pension Managers Limited	317,148	3.3
7	First Guarantee Pension Limited	278,321	2.9
8	IEI-Anchor Pension Managers Limited	151,773	1.6
9	Investment-One Pension Managers Limited	84,838	0.9
10	Leadway Pensure PFA Limited	660,825	6.9
11	Nigerian University Pension Mgt Co.	25,096	3.4

SN	PFA	Total RSA Registrations ITD	%
12	NLPC Pension Fund Administrators	338,716	3.2
13	NPF Pension Fund Managers	302,244	0.4
14	Oak Pensions Limited	219,533	2.3
15	Pensions Alliance Limited	583,412	6.1
16	Premium Pension Limited	751,713	7.9
17	Radix Pension Managers Limited	38,445	0.4
18	Sigma Pensions Limited	747,864	7.9
19	Stanbic IBTC Pension Managers Limited	1,924,611	20.2
20	Tangerine Pension Limited	93,429	1.0
21	Trustfund Pensions Limited	777,441	8.2
22	Veritas Glanvills Pensions Limited	150,687	1.6
	Total	9,529,127	100

Analysis of the distribution of the RSAs across PFAs revealed that the top five PFAs maintained the largest market share of about 53% of the 9.5 million RSAs as at 31 December 2021

In terms of sectorial distribution, of the RSAs registration, the Private Sector maintained 58%, Public Sector (i.e. Federal and State MDAs) had about 42% while the Micro Pension Plan (MPP) accounted for 0.8% of the total number of RSAs registered. A breakdown of the distribution is analyzed below;

Sector	RSA Count				
	Inception to 31 December 2022				
	Public Sector		MPP	Private	Total
Federal	State				
Distribution	2,236,368	1,729,592	73,994	5,489,173	9,529,127
% Distribution	23.5	18.2	0.78	57.60	100

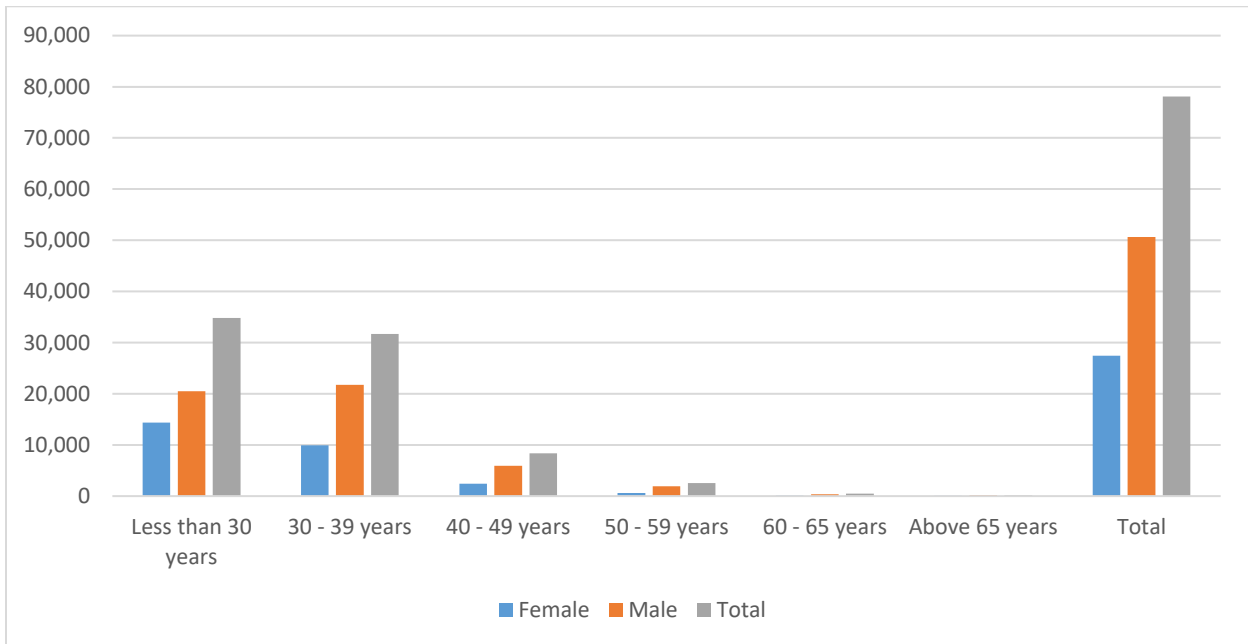
2.5.2 Gender and Age Distribution

Analysis of new registrations on the CPS for the quarter showed that 73% were below the age of 40 years. This points to the increasing sustainability of the CPS, as the younger generation are actively being enlisted into the scheme. Regarding gender distribution, 65% of those that registered during the quarter were male, while 35% were female. The table and chart below, provide additional details on the age and gender distribution of RSA registrations during the quarter.

Age and Gender Registration Count for Q4 2021

Age	Female	Male	Total	(%)
Less than 30 years	1,117,774	2,335,364	3,453,138	36.2
30 - 39 years	1,054,077	2,446,202	3,500,279	36.7
40 - 49 years	513,230	1,263,269	1,776,499	18.6
50 - 59 years	164,456	542,739	707,195	7.4
60 - 65 years	7,711	57,019	64,730	0.7
Above 65 years	3,529	23,757	27,286	0.3
Total	2,860,777	6,668,350	9,529,127	100.0
Percentage (%)	30.0	70.0	100	

Age and Gender Registration Count for Q4 2021



2.5.3 Employer Code Generation

The Commission generated a total of 2,345 codes during the quarter ended 31 December 2021. Over 89% of employer codes generated were for private sector companies and about 9% for business name registrations. During the quarter only 1 (one) code was generated for the Federal Government and 4 (four) employer codes were generated for State Governments. Table 5 below shows the employer codes generated within the period under review.

Table 2.6: Employer Codes Generated within the Period Under Review

SN	Employer Code Type	Description	Employer Code Count Quarter ended 30 December 2021	%	Total Employer Code Count Inception to 30 December 2021	%
1	PR	Private Registered Companies (i.e. Ltd and Plc)	2,098	89.5	229,098	85.3
2	BR	Business Registrations (i.e. Law Firms, Hospitals,	213	9.1	18,052	6.7
3	NG	Non-Governmental Organizations	24	1.0	2,499	0.9
4	PU	Federal Government	1	0.0	966	0.4
5	ST	State Governments	4	0.2	15,063	5.6
6	UN	Unions/Association	3	0.1	2,672	1
7	FR	Foreign Agencies	1	0.0	28	0
8	EM	Embassies	1	0.0	89	0
9	MP	Micro Pension Plan	0	0.0	69	0
10	CB	Cross Border	0	0.0	0	0
Total			2,345	100	268,536	100

2.5.4 Update on the RSA Transfer System (RTS)

A total of 12,824 RSAs holders initiated RSA transfers in the fourth RSA Transfer Quarter of 2021. The actual transfer of the RSAs will be processed in first week of January 2022.

SECTION THREE

Pension Industry Statistics

3.1 Schemes Membership

The Pension Industry recorded a marginal growth of 0.71% (67,759) in schemes membership during the quarter under review, rising from 9.52 million members at the end of Q3 2021 to 9.59 million as at Q4 2021. The growth in the industry membership was driven mainly by the RSA Scheme, which had an increase of 67,759 registered contributors. Membership of the Closed Pension Fund Administrator (CPFA) Schemes recorded a marginal decrease of 195 or -1.19% while Approved Existing Schemes (AES) remained unchanged as at Q4 2021. The details of the trend in schemes' memberships are shown in Table 3.1 below:

Table 3.1 Schemes Membership as at Q2 2021

SCHEME	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Change (Q3 2021 vs Q4 2021)	
					RSAs	Weight (%)
RSA	9,300,058	9,383,204	9,461,173	9,529,127	67,954	0.72
CPFA	14,926	14,926	16,408	16,213	-195	-1.19
AES	40,951	40,951	40,951	40,951	-	-
TOTAL	9,355,935	9,439,081	9,518,532	9,586,291	67,759	0.71

3.1.1 Membership of RSA

The cumulative RSA registrations grew from 9,461,173 recorded in Q3 2021 to 9,529,127 as at the end of Q4 2021, representing a 0.72% growth. This was, mainly attributed to an increased level of compliance by the private sectors.

3.1.2 PFA Market Share by RSA Registration

The ranking of PFAs by the number of registered contributors as at the end of Q4 2021 showed that the market share of the bottom three PFAs stood at 1.56% of the total RSAs registered from inception to 31 December 2021. Similarly, the bottom five PFAs recorded a slight increase in the number of registered RSAs from 4.10% in Q3 2021 to 4.12% in Q4 2021. In the same vein, the bottom ten PFAs also recorded a marginal increase from 15.25% in Q3 2021 to 15.29% in Q4 2021.

The market share of the top three remained unchanged at 37.30% in Q4 2021, while the top 5 PFAs also maintained their market share of 53.04% as recorded in the two previous quarters of 2021. The market share of the top ten PFAs marginally declined from 78.26% in Q3 2021 to 78.21% as at Q4 2021. The details of the market share distribution by RSA registration are as shown in Table 3.2 below.

Table 3.2 RSA Registration by Market Share

PFA Ranking	Q3 2021 (%)	Q4 2021	Variance
Top 3	37.32	37.30	0.02
Top 5	53.09	53.04	-0.05
Top 10	78.26	78.21	0.05
Bottom 3	1.50	1.56	0.06
Bottom 5	4.10	4.12	0.02
Bottom 10	15.25	15.29	0.04

A further breakdown of the cumulative PFA registrations revealed that 15 PFAs had registered less than 500,000 RSAs each while the remaining 7 PFAs had registered more than 500,000 RSAs each as at the end of Q4 2021. Table 3.3 below shows the details of the range of RSA registrations.

Table 3.3 Range of RSA Registration by PFAs as at 30 June 2021

Range of RSA Registrations	Number of PFAs
Above 1,000,000	1
500,000 – 1,000,000	6
100,000 – 499,999	11
Less than 100,000	4

3.1.3 Memberships of CPFAs and AES

The CPFA and AES schemes' total membership was 16,213 and 40,951, respectively as at the end of Q4 2021. These figures remained unchanged as at the end of Q3 2021.

3.2 Pension Contributions

The total pension contributions remitted to individual RSAs in Q4 2021 stood at ₦208 billion. Out of this total, the public sector accounted for ₦107.78 billion or 51.82% while the private sector contributed ₦101.71 billion or 48.12%. The cumulative pension contributions from inception to the end of the fourth quarter of 2021 amounted to ₦7.58 trillion, which is an increase from ₦7.37 trillion as at the end of Q3 2021. Details of the pension contributions remitted into the RSAs are shown in Table 3.4 below:

Table 3.4 Pension Contributions as at Q4 2021

Total Contribution for Inception to date						
Yr/Qtr	Public Sector		Private Sector		Total	
	Amount (N billion)	% of Total	Amount (N billion)	% of Total	Amount (N billion)	% of Total
2004	15.60	0.4%	0	0	15.60	0.2%
2005	34.68	0.9%	0	0	34.68	0.5%
2006	37.38	1.0%	23.03	0.6%	60.41	0.8%
2007	80.63	2.1%	68.34	1.9%	148.97	2.0%
2008	99.28	2.5%	80.81	2.2%	180.09	2.4%
2009	137.10	3.5%	91.21	2.5%	228.31	3.0%
2010	162.46	4.1%	103.03	2.8%	265.49	3.5%
2011	228.92	5.8%	119.53	3.3%	348.45	4.6%
2012	302.24	7.7%	159.52	4.4%	461.76	6.1%
2013	278.50	7.1%	225.42	6.2%	503.92	6.6%
2014	237.76	6.1%	343.97	9.4%	581.73	7.7%
2015	200.05	5.1%	358.91	9.8%	558.96	7.4%
2016	225.86	5.8%	262.33	7.2%	488.20	6.4%
2017	257.11	6.6%	353.73	9.7%	610.84	8.1%
2018	266.84	6.8%	340.72	9.3%	607.55	8.0%
2019	331.56	8.4%	369.13	10.1%	700.69	9.2%
2020	536.97	13.7%	371.12	10.1%	908.09	12.0%
Q1:2021	115.83	3.0%	87.29	2.4%	203.12	2.7%
Q2:2021	97.17	2.5%	97.91	2.7%	195.08	2.6%
Q3:2021	170.96	4.4%	101.19	2.8%	272.15	3.6%
Q4:2021	107.78	2.7%	101.01	2.8%	208.79	2.8%
Total	3,924.69	100%	3,658.20	100%	7,582.88	100%

The aggregate pension contributions of the public sector increased from ₦3.65 trillion to ₦3.82 trillion as at the end of Q3 2021. Similarly, the aggregate pension contributions of the private sector also increased from ₦3.46 trillion to ₦3.56 trillion as at Q3 2021.

3.2.1 Ranking of PFAs by the Amount of Contributions Received

The ranking of PFAs by cumulative pension contributions received from inception of the CPS to the end of Q4 2021 indicated that the top 5 ranked PFAs received 65.12% of the total contributions as at the end of Q4 2021. Similarly, the top 10 ranked PFAs accounted for 86.63% of the total contributions. In comparison, the bottom 5 and bottom 10 PFAs accounted for 3.98% and 11.98% of the total pension contributions, respectively.

Table 3.5: PFA Ranking by Size of Contributions during Q4 2021

RANK	AMOUNT	WEIGHT (%)
TOP 5	127,045,541,349.99	65.12
TOP 10	163,155,175,690.13	83.63
BOTTOM 5	7,766,819,104.51	3.98
BOTTOM 10	23,379,834,533.00	11.98

3.3 Overview of the Pension Industry Fund Portfolio

3.3.1 Pension Fund Portfolio

The total value of Pension Fund assets as at 31 December 2021 was ₦13.42 trillion. The amount comprised of ₦9.47 trillion in RSA' Active' Funds (i.e., RSA Funds I, II III and V); ₦1.07 trillion in RSA Retiree Fund IV; ₦1.52 trillion in CPFAs; ₦1.35 trillion in Approved Existing Schemes (AES) Funds and ₦16.13 billion for RSA Fund VI (Non-Interest Fund), Active and Retiree.

Pension Fund Assets were mainly invested in Federal Government of Nigeria (FGN) Securities. The asset accounted for 65.35% of total pension assets. The composition of investments in FGN Securities were as follows: FGN Bonds: 94.90%; Treasury Bills: 2.91%; while Agency, Sukuk and Green Bonds accounted for about 2.19%. Table 3.6 below shows the summary of the Pension Industry Portfolio across fund types for the quarter ended 31 December 2021.

Table 3.6 Pension Fund Portfolio by Fund Type as at 31 December 2021

	RSA FUNDS		CPFAs	AES	FUND VI ACTIVE & RETIREE	TOTAL PENSION FUND ASSETS	WEIGHT
	RSA ACTIVE FUND (I,II,III,V)	RSA RETIREE FUND					
% OF PENSION ASSETS	71%	8%	11%	10%	0%	100%	
ASSET CLASS	₦'Billion	₦'Billion	₦'Billion	₦'Billion	₦'Billion	₦'Billion	
Domestic Ordinary Shares	764.83	10.51	34.13	105.40	0.44	915.31	6.82%
Foreign Ordinary Shares	-	-	122.43	0.06	-	122.49	0.91%
FGN Securities:	6,430.53	747.62	846.66	740.87	8.03	8,773.71	65.35%
<i>FGN Bonds</i>	6,135.08	697.77	779.87	709.17	4.19	8,326.07	62.02%
<i>Treasury Bills</i>	171.32	36.49	22.48	25.14	0.28	255.70	1.90%
<i>Agency Bonds (NMRC)</i>	11.52	1.23	0.60	0.35	0.60	14.30	0.11%
Sukuk	100.51	11.69	0.60	5.51	-	118.31	0.88%
Green' Bond	12.10	0.43	43.13	0.71	2.96	59.32	0.44%
State Govt. Securities	120.59	14.86	18.72	16.16	-	170.34	1.27%
Corporate Debt Securities	572.27	81.08	206.66	82.59	0.74	943.34	7.03%
Supra-National Bonds	-	-	-	-	-	-	0.00%
Local Money Market Securities:	1,440.60	206.84	118.97	252.83	5.94	2,025.19	15.09%
<i>Bank Placement</i>	1,397.88	200.89	118.97	242.13	5.90	1,965.78	14.64%
<i>Commercial Papers</i>	42.72	5.95	-	10.70	0.04	59.41	0.44%
Foreign Money Market Securities	-	-	9.23	-	-	9.23	0.07%
Mutual Funds:	22.07	0.46	14.23	3.29	0.17	40.22	0.30%
<i>Open/Close-End Funds</i>	18.93	0.46	14.21	3.03	0.17	36.80	0.27%
<i>REITs</i>	3.14	-	0.03	0.26	-	3.42	0.03%
Real Estate Properties	-	-	125.68	111.63	-	237.30	1.77%
Private Equity Fund	24.09	-	14.79	0.05	0.03	38.96	0.29%
Infrastructure Fund	64.24	0.20	8.46	4.45	-	77.35	0.58%
Cash & Other Assets	28.64	5.14	2.79	34.03	0.78	71.37	0.53%
Net Assets Value	9,467.86	1,066.71	1,522.76	1,351.36	16.13	13,424.81	100.0%

The industry Net Asset Value (NAV) increased by ₦423.65 Billion or 3.26% to ₦13.42 trillion as at Q4 2021 compared to a NAV of **₦13.01 Trillion** recorded as at 30 September, 2021. The growth in Q4 2021 was higher than the growth of ₦343.99 Billion or 2.72% recorded in Q3:2021, mainly due to contributions received and market valuation of FGN bonds and equities. The comparative analysis of the Pension Industry Portfolio for the period ended 30 September and 31 December 2021, respectively, are shown in Table 3.7 below:

Table 3.7 Comparative Pension Industry Portfolio Q3 2021 vs. Q4 2021

	TOTAL PENSION FUND ASSETS		TOTAL PENSION FUND ASSETS		VARIANCE	
	30-Sep-21		31-Dec-21		Sept -Dec 21	
ASSET CLASS	₦Billion	Weight %	₦Billion	Weight %	₦Billion	Weight %
Domestic Ordinary Shares	873.49	6.51%	915.31	6.82%	41.82	4.79%
Foreign Ordinary Shares	105.20	0.78%	122.49	0.91%	17.29	16.44%
FGN Securities:	8,222.66	61.25%	8,773.71	65.35%	551.05	6.70%
FGN Bonds	7,833.25	58.35%	8,326.07	62.02%	492.82	6.29%
Treasury Bills	283.88	2.11%	255.70	1.90%	(28.18)	-9.93%
Agency Bonds (NMRC)	13.75	0.10%	14.30	0.11%	0.55	3.98%
Sukuk	79.78	0.59%	118.31	0.88%	38.54	48.31%
Green bonds	11.99	0.09%	59.32	0.44%	47.33	394.59%
State Govt. Securities	88.51	0.66%	170.34	1.27%	81.82	92.44%
Corporate Debt Securities	968.27	7.21%	943.34	7.03%	(24.93)	-2.57%
Local Money Market Securities	2,290.81	17.06%	2,025.19	15.09%	(265.62)	-11.59%
Foreign Money Market Securities	8.64	0.06%	9.23	0.07%	0.59	6.87%
Mutual Funds:	36.08	0.27%	40.22	0.30%	4.14	11.48%
Open/Close-End Funds	33.45	0.25%	36.80	0.27%	3.35	10.01%
REITs	2.63	0.02%	3.42	0.03%	0.79	30.11%
Real Estate Properties	234.20	1.74%	237.30	1.77%	3.10	1.33%
Private Equity Fund	36.68	0.27%	38.96	0.29%	2.28	6.22%
Infrastructure Fund	76.85	0.57%	77.35	0.58%	0.50	0.65%
Cash & Other Assets	59.79	0.45%	71.37	0.53%	11.58	19.37%
Net Assets Value	13,001.17	96.84%	13,424.81	100.00%	423.65	3.26%

The value of investments in quoted ordinary shares stood at N1.04 trillion (7.73%) of total Assets under Management indicating an increase of N59 Billion (6.04%) compared to the N978.69 Billion as at 30 September, 2021. The increase in the value of investments in domestic quoted equities was primarily due to the appreciation in the prices of some stocks during the reporting period, as the Nigerian Stock Exchange Pension Index (NSE-PI) appreciated by 2.69% in Q4:2021.

The value of investments in FGN Securities increased by N551.05 Billion (6.70%) to N8.77 Trillion as at 31 December 2021 from N8.22 Trillion as at 30 September 2021. The increase in the value of investments in FGN Securities was majorly due to additional investments in this asset class during the quarter.

3.3.2 Review of RSA Funds

RSA 'Active' Funds:

The NAV of the RSA 'Active' Funds, which includes RSA 'Active' Funds I,II, III, Fund V as well as Fund VI Active was ~~N~~9.44 Trillion as at 31 December 2021. This represented a net growth of ~~N~~339.58 Billion (3.73%) as the NAV increased from ~~N~~9.10 trillion as at 30 September, 2021 to ~~N~~9.44 trillion as at 31 December, 2021. These figures were exclusive of the balance of ~~N~~49.58 billion and ~~N~~43.0billion in respect of the contributions of FGN workers awaiting transfers to PFAs, as at 30 September 2021 and 31 December 2021, respectively.

The breakdown of the NAV of the RSA 'Active' Funds and the comparative variances for the period ended 30 September, 2021 and 31 December, 2021 respectively are presented in Table 3.8 below:

Table 2.8 RSA 'Active' Fund Assets –Q3 2021 vs Q4 2021

ASSET CLASS	RSA ACTIVE FUND				Variance	
	Sep-21		Dec-21		Sept'21/Dec' 21	
	₦'Billion	Weight %	₦'Billion	Weight %	₦'Billion	Weight %
Domestic Ordinary Shares	725.08	7.97%	765.25	8.11%	40.17	5.54%
FGN Securities:	5,978.70	65.70%	6,394.91	67.75%	416.21	6.96%
FGN Bonds	5,756.57	63.26%	6,139.17	65.04%	382.60	6.65%
Treasury Bills	132.39	1.45%	128.81	1.36%	(3.59)	-2.71%
Agency Bonds (NMRC)	11.87	0.13%	11.52	0.12%	(0.35)	-2.95%
Sukuk	67.57	0.74%	103.32	1.09%	35.75	52.91%
Green	10.30	0.11%	12.10	0.13%	1.80	17.43%
State Govt. Securities	60.36	0.66%	120.59	1.28%	60.23	99.78%
Corporate Debt Securities	539.54	5.93%	572.94	6.07%	33.40	6.19%
Money Market Securities	1,651.90	18.15%	1,445.61	15.31%	(206.29)	-12.49%
Mutual Funds:	20.97	0.23%	22.24	0.24%	1.27	6.03%
Open/Close-End Funds	18.65	0.20%	19.10	0.20%	0.45	2.44%
REITs	2.33	0.03%	3.14	0.03%	0.81	34.82%
Private Equity Fund	22.23	0.24%	24.12	0.26%	1.89	8.50%
Infrastructure Fund	64.08	0.70%	64.24	0.68%	0.17	0.26%
Cash & Other Assets	36.81	0.40%	29.34	0.31%	(7.46)	-20.28%
Net Assets Value	9,099.66	100%	9,439.24	100%	339.58	3.73%

The RSA Fund II, which is the default RSA Fund under the Multi-Fund Structure, maintained the largest share of the Active RSA Funds as it represented 61.99% of the RSA 'Active' Funds. Table 3.9 below provides a breakdown of the RSA Active Funds.

Table 3.9 RSA "Active" Funds – as at Q4 2021

RSA ACTIVE FUNDS AS At 31 DECEMBER 2021		
FUND	₦'Million	
RSA FUND I	48,407.29	0.51%
RSA FUND II	5,835,296.84	61.82%
RSA FUND III	3,540,870.08	37.51%
RSA FUND V	221.18	0.00%
RSA FUND VI	14,447.81	0.15%
TOTAL	9,439,243.19	100.00%

3.3.3 Sources of Portfolio Growth/Diminution for RSA Active Funds

i. Contributions Received

Monthly pension contributions totaling ₦296.17 Billion were received in Q4:2021 for RSA Fund I, II, III, V and VI Active. The amount was a decrease compared to the contributions of ₦361.73 Billion recorded in Q3:2021.

ii. Interest/Coupons and Dividends

The interests/coupons received on investments in fixed income securities amounted to ₦239.72 Billion in Q4 2021. The amount indicated a 4.46% increase compared to the sum of ₦229.48 Billion recorded in Q3 2021; the increase was attributed to additional investments in Fixed Income Securities within the period. Conversely, dividends of ₦5.70 Billion received in RSA Active Funds represented a ₦3.95 Billion decrease relative to dividends of ₦9.65 received Q3:2021.

iii. Net Un-realized Gains/(losses) on Equities and Equity Funds:

Total unrealized gains on the RSA 'Active' Funds in Q4 2021 decreased by ₦3.2 Billion to ₦26.77 Billion compared to unrealized gains of ₦30 Billion recorded in Q3 2021. The decrease in unrealized gains were attributed to a relatively lower appreciation in the general prices of stocks in the equity portfolio of the RSA Funds during the period as the NSE Pension Index appreciated by 4.62% in Q4 2021 relative to 4.90% in Q3 2021.

iv. Net Un-realized Gains/(losses) on Bonds:

Total unrealized losses in the Market-to-Market (MTM) bond portfolio of the RSA Active portfolio amounted to ₦2.82 Billion in Q4 2021 compared to unrealized gains of ₦6.08 billion in Q3 2021. The losses were attributed to depreciation in bond prices during the quarter.

v. Transfers to RSA Retiree Funds and Benefits Payments:

Total transfers from RSA 'Active' Funds to RSA Retiree Fund and payment of 25% unemployment benefits in Q4 2021 amounted to ₦154.54 Billion, which was lower by 27.60%, than the total outflows of ₦213.45 Billion in Q3 2021. A summary of the sources of portfolio growth/diminution in RSA Funds are highlighted in Table 3.10 below:

Table 3.10: RSA "Active" Fund -Sources of Portfolio Growth Q3 vs Q4 2021

S/NO	SOURCES OF PORTFOLIO GROWTH/DIMINUTION	Q3: 2021	Q4: 2021	VARIANCE
		₦Billion	₦Billion	₦Billion
1	New inflow of Funds:			
	Monthly Contributions/ Inter Fund Transfers	361.73	296.17	(65.57)
2	Investment Incomes:			
2.1	Interest/Coupons	229.48	239.72	10.24
2.2	Dividends/Rental Income	9.65	5.70	(3.95)
2.3	Net Realized Gains on Equity/Bonds	(0.48)	(0.92)	(0.44)
3	Net Unrealized Gains/(Losses) on Equities/Equity Funds	30.00	26.77	(3.23)
4	Net Unrealized Gains/(Losses) on Bonds	6.08	(2.82)	(8.90)
5	Benefits Paid/Transfers to Retiree Fund	(213.45)	(154.54)	58.91
6	Other Transfers/Remittances	(47.88)	(31.41)	16.47
7	Asset Based Fees, Audit Fees (and VAT)	(37.60)	(39.09)	(1.48)
	Net Portfolio Growth	337.53	339.58	2.05

Portfolio Performance of the RSA Active Fund

The average rate of return for RSA Funds I, II, III and V were 9.21%, 10.05%, 9.95% and 8% respectively, as presented in Table 3.11 below. These performances were lower than the average rate of returns of 11.87%, 11.59%, 10.41% and 11.83% achieved by the respective Funds in Q3 2021.

Table 3.11: RSA Funds - Average Rate of Return – Q4 2021

FUND	AVERAGE RATE OF RETURN (ANNUALIZED)	
	Q3:2021	Q4:2021
RSA FUND I	11.87%	9.21%
RSA FUND II	11.59%	10.05%
RSA FUND III	10.41%	9.95%
RSA FUND V	11.83%	8.00%

The relatively lower performances of the RSA Active Funds for Q4:2021 were due to lower appreciation in the prices of equities as well losses recorded in the MTM portfolios of the respective funds in Q4:2021 compared to Q3:2021.

RSA Retiree Fund IV:

The NAV of RSA 'Retiree' Fund increased by ₦15.85 Billion from ₦1.05 Trillion as at 30 September, 2021 to ₦1.07 Trillion as at 31 December, 2021. The breakdown of the Net Assets Value of the RSA 'Retiree Fund and the comparative variances for the period ended 30, September 2021 and 31 December, 2021 are presented in Table 3.12 below:

Table 3.12: RSA 'Retiree' Fund Assets Q3.2021 vs Q4 2021

ASSET CLASS	Sep-21		Dec-21		Variance Sept 2021/ Dec 2021	
	₦'Billion	Weight %	₦'Billion	Weight %	₦'Billion	Weight %
Domestic Ordinary Shares	10.21	0.97%	10.51	0.99%	0.30	2.90%
FGN Securities:	712.24	67.77%	747.62	70.09%	35.38	4.97%
FGN Bonds	667.62	63.52%	697.77	65.41%	30.15	4.52%
Treasury Bills	38.27	3.64%	36.49	3.42%	(1.78)	-4.66%
Agency Bonds (NMRC & FMBN)	1.27	0.12%	1.23	0.12%	(0.03)	-2.65%
Sukuk	4.91	0.47%	11.69	1.10%	6.79	138.29%
Green Bonds	0.18	0.02%	0.43	0.04%	0.26	145.73%
State Govt. Securities	6.69	0.64%	14.86	1.39%	8.18	122.29%
Corporate Debt Securities	83.49	7.94%	81.08	7.60%	(2.41)	-2.89%
Money Market Securities	230.97	21.98%	206.84	19.39%	(24.13)	-10.45%
Open/Close End Funds	0.55	0.05%	0.46	0.04%	(0.09)	-15.78%
Infrastructure Fund	0.35	0.03%	0.20	0.02%	(0.15)	-42.08%
Cash & Other Assets	6.51	0.62%	5.14	0.48%	(1.37)	-21.04%
Net Assets Value	1,051.00	100%	1,066.71	100%	15.85	1.51%

Sources of Portfolio Growth/Diminution RSA Retiree Fund

i. Transfers from RSA Active Funds:

Transfers into the RSA Retiree Fund declined by ₦68.81 Billion as it fell to ₦65.39 Billion in Q4:2021 from the ₦134.01 Billion received in Q3 2021.

ii. **Income (Interests/Coupons):**

The interests/coupons received on investments in fixed income instruments in Q4:2021 was fairly stable as it increased by 1.60% to ₦29.17 Billion compared to ₦28.71 Billion recorded in Q3 2021.

iii. **Net Realized Gains/(losses) on Bonds and Equities and Net Unrealized Gains/(Losses) on Bonds Equities:**

The Net realized and Unrealized Gains/Losses on bonds and equities were also fairly stable during the quarter as they showed no significant movement as indicated in the Table 8 below.

iv. **Retirement Benefits Paid:**

A total of ₦76.67 Billion was paid as retirement benefits in Q4:2021. This was lower than the retirement benefits of ₦100.91 Billion paid in Q3:2021 by a ₦24.24 Billion (24.02%). The major sources of net portfolio growth/diminution in Fund IV for the period are presented in Table 3.13 below:

Table 3.13: RSA Retiree Funds - Major sources of Portfolio Growth

S/NO	SOURCES OF PORTFOLIO GROWTH/DIMINUTION	Q3: 2021 ₦'Billion	Q4: 2021 ₦'Billion	VARIANCE ₦'Billion
1	New inflow of Funds:			
	Transfers of RSA 'Active' balances/Accrued Rights	134.21	65.39	(68.81)
2	Investment Incomes:			
2.1	Interest/Coupons	28.71	29.17	0.46
2.2	Dividends	0.12	0.05	(0.07)
2.3	Net Realized Gains/(Losses) on Equities/Bonds	(0.29)	0.37	0.66
3	Net Unrealized Gains/(Losses) on Equities/Mutual Funds/Private Equity	0.28	0.25	(0.03)
4	Net Unrealized Gains/(Losses) on Bonds	0.72	(0.37)	(1.08)
5	Retirement Benefits Paid	(100.91)	(76.67)	24.24
6	Income Based Fees (and VAT)	(2.33)	(2.33)	(0.00)
	Net Portfolio Growth	60.49	15.85	(44.64)

Portfolio Performance – RSA Retiree Fund IV

The average rate of return on the RSA Fund IV ('Retiree' Fund) was fairly stable as it dipped slightly by less than 100bps to 10.32% in Q4 2021 compared to 11% in Q3 2021.

Review of CPFA/AES Funds

CPFA Funds

The value of pension fund assets held by the CPFA Funds increased by 2.29% (~~₦34.07~~Billion) to ₦1.52 Trillion as at Q4:2021. The comparative summary of the CPFA Funds for the period ended 30 September 2021 and 31 December 2021 are presented in Table 3.14 below:

Table 3.14: Summary of CPFA Pension Assets – Q3 2021 vs Q4 2021

ASSET CLASS	CPFA FUNDS				Variance	
	Sep-21		Dec-21		Sept 2021/Dec 2021	
	₦'Billion	Weight %	₦'Billion	Weight %	₦'Billion	Weight %
Domestic Ordinary Shares	37.63	2.53%	34.13	2.24%	(3.50)	-9.29%
Foreign Ordinary Shares	105.20	7.07%	122.43	8.04%	17.23	16.38%
FGN Securities:	753.92	50.64%	846.66	55.60%	92.75	12.30%
FGN Bonds	729.55	49.01%	779.87	51.21%	50.32	6.90%
Treasury Bills	22.27	1.50%	22.48	1.48%	0.21	0.94%
Agency Bonds (NMRC)	0.62	0.04%	0.60	0.04%	(0.02)	-3.35%
Sukuk Bonds	0.64	0.04%	0.60	0.04%	(0.04)	-5.66%
Green Bonds	0.85	0.06%	43.13	2.83%	42.28	4975.07%
State Govt. Securities	13.00	0.87%	18.72	1.23%	5.72	44.01%
Corporate Debt Securities	264.39	17.76%	206.66	13.57%	(57.73)	-21.83%
Money Market Securities	120.33	8.08%	118.97	7.81%	(1.36)	-1.13%
Foreign Money Market Securities	8.64	0.58%	9.23	0.61%	0.59	6.85%
Mutual Funds:	12.08	0.81%	14.23	0.93%	2.15	17.83%
Open/Close-End Funds	12.05	0.81%	14.21	0.93%	2.16	17.91%
REITs	0.03	0.00%	0.03	0.00%	(0.00)	-13.50%
Real Estate Properties	122.57	8.23%	125.68	8.25%	3.10	2.53%
Private Equity Fund	14.45	0.97%	14.79	0.97%	0.34	2.37%
Infrastructure Fund	7.85	0.53%	8.46	0.56%	0.61	7.76%
Cash & Other Assets	28.64	1.92%	2.79	0.18%	(25.85)	-90.27%
Net Assets Value	1,488.69	100.00%	1,522.76	100.00%	34.07	2.29%

The total funds injected by the various Scheme Sponsors to bridge funding deficits and members' contributions (for contributory schemes) in Q4:2021 amounted to ₦20.38 Billion, representing a decrease of ₦7.34 Billion, compared to ₦27.73 Billion in Q3:2021.

Interest income increased by ₦1.75 Billion to ₦31.11 Billion in Q4:2021, compared to ₦29.36 Billion in Q3:2021 due to additional investments in fixed income securities. The major sources of net portfolio growth/diminution for the period are presented in Table 3.15 below:

Table 3.15: CPFA Funds - Major sources of Portfolio Growth/Diminution

SOURCES OF PORTFOLIO GROWTH	Q3: 2021	Q4: 2021	VARIANCE
	₦'Billion	₦'Billion	₦'Billion
New inflow of Funds:			
Fund Injections by Scheme Sponsors/Contributions	27.73	20.38	(7.34)
Investment Incomes:			-
Interest/Coupons	29.36	31.11	1.75
Dividends/Rental Income	1.57	3.91	2.34
Gains/(losses) on foreign exchange	1.36	16.84	15.47
Net Realized Gains/(Losses)	(1.48)	(4.68)	(3.20)
Net Unrealized Gains/(Losses) on Equities/Mutual Funds	20.89	7.09	(13.80)
Net Unrealized Gains/(Losses) on Bonds	(8.23)	(5.56)	2.67
Benefit Payments	(43.59)	(32.97)	10.62
Asset Based Fees, Audit Fees (and VAT)	(2.19)	(2.04)	0.15
Net Portfolio Growth	25.42	34.07	8.66

The annualized rates of return recorded on the CPFA Funds ranged between - 3.39% and 15.74%. The return was reflective of the actual asset allocation and stock selection of the respective funds under management.

Approved Existing Schemes

The NAV of the Approved Existing Schemes grew by ₦39.92 Billion (3.04%) from ₦1.28 Trillion as at 31 March 2021 to ₦1.21 Trillion as at 30 June, 2021. The breakdown of the NAV of the Approved Existing Schemes Fund and the comparative variances for the period ended 31 September, 2021 and 31 December, 2021 respectively are presented in Table 3.16 below:

Table 3.16: Summary of AES Pension Assets

ASSET CLASS	AES FUNDS				Variance Sept/Dec. 2021	
	30-Sep-21		31-Dec-21		₦'Billion	Weight %
	₦'Billion	Weight %	₦'Billion	Weight %		
Domestic Ordinary Shares	100.56	7.67%	105.46	7.80%	4.91	4.88%
FGN Securities:	728.08	55.52%	740.80	54.82%	12.73	1.75%
FGN Bonds	679.45	51.81%	709.45	52.50%	29.99	4.41%
Treasury Bills	41.29	3.15%	25.14	1.86%	(16.16)	-39.13%
Sukuk	6.66	0.51%	5.51	0.41%	(1.15)	-17.29%
Green Bond	0.67	0.05%	0.71	0.05%	0.04	6.33%
State Govt. Securities	8.46	0.65%	16.16	1.20%	7.70	90.93%
Corporate Debt Securities	80.82	6.16%	82.59	6.11%	1.77	2.19%
Local Money Market Securities	257.72	19.65%	252.83	18.71%	(4.89)	-1.90%
Mutual Funds:	2.48	0.19%	3.29	0.24%	0.81	32.57%
Open/Close-End Funds	2.21	0.17%	3.03	0.22%	0.82	37.26%
REITs	0.27	0.02%	0.26	0.02%	(0.01)	-5.18%
Real Estate Properties	111.63	8.51%	111.63	8.26%	(0.00)	0.00%
Infrastructure Fund	4.58	0.35%	4.50	0.33%	(0.08)	-1.78%
Cash & Other Assets	17.05	1.30%	34.03	2.52%	16.99	99.66%
Net Assets Value	1,311.37	100.00%	1,351.30	100.00%	39.92	3.04%

The major sources of net portfolio growth/diminution for the period are presented in Table 3.17 below:

Table 3.17: AES Funds - Major sources of Portfolio Growth/Diminution

SOURCES OF PORTFOLIO GROWTH	Q3: 2021	Q4: 2021	VARIANCE
	₦'Billion	₦'Billion	₦'Billion
New inflow of Funds:			
Fund Injections by Scheme Sponsors/Contributions	13.96	22.64	8.68
Investment Incomes:			
Interest/Coupons	28.39	34.03	5.64
Dividends/Rental Income	1.06	0.79	(0.27)
Other Income	0.24	0.14	(0.10)
Net Realized Gains/(Losses) on Equity/Bonds	(2.22)	0.01	2.23
Net Unrealized Gains/(Losses) on Equities/Bonds	6.39	(2.10)	(8.48)
Benefit Payments	(20.42)	(13.58)	6.84
Other Transfers/Remittances	(0.85)	(0.01)	0.83
Asset Based Fees, Audit Fees (and VAT)	(1.70)	(2.00)	(0.30)
Net Portfolio Growth	24.85	39.92	15.07

The net increase in the total portfolio value was mainly attributed to fund injection by scheme sponsors as well as interest income earned on fixed income investments in Q4:2021.

Furthermore, the average annualized rate of return on the AES Funds Q4 2021 was 9.60% and ranged between 4.33% and 12.01%. The differences in performance across the cross section of AES funds was reflective of the actual assets allocation of the individual Funds.

3.4 Retirement/Terminal Benefits

3.4.1 Retirees through Programmed Withdrawal (PW)

The Commission approved **5,930** retirees' requests to draw pension through the Programmed Withdrawal mode during the quarter under review. These retirees received a total lump sum of **₦21,914.44 million** while their total monthly pension amounted to **₦291.28 million**, as shown in Table 3.18 below:

Table 3 Retirement by Programmed Withdrawal during the Q4 2021

Period	Sectorial Approvals		Total	Lump-Sum (₦ Million)	Monthly PW (₦ Million)
	Public	Private			
Oct-Dec. 2021	2,274	3,656	5,930	21,914.44	291.28

3.4.2 Retirement through Retiree Life Annuity

The Commission granted approval to 2,647 retirees under the Retiree Life Annuity during the quarter under review. A total lump sum of ₦7,176.57 million was approved for payment to the retirees, while the sum of ₦16,898.18 million was approved for payment to 14 Retiree Life Annuity Providers as premium in return for total monthly/quarterly annuities of ₦173.76 million as reflected in Table 3.19 below:

Table 4: Retirement by Annuity During Q4 2021

Period	Sectorial Approvals		Total	Lump-Sum (₦ Million)	Premium (₦ Million)	Monthly PW (₦ Million)
	Public	Private				
Oct-Dec 2021	1,286	1,361	2,647	7,176.57	16,898.18	173.76

3.4.3 Approval of Death Benefits

During the quarter under review, approvals were granted for payment of death benefits amounting to **₦15,049.49 million** to the legal beneficiaries/administrator of 2,800 deceased employees and retirees. This comprised 2,093 Public (FGN & State) and 707 private sector employees/retirees, as summarized in Table 3.20 below.

Table 3.20 Approval of Death Benefit During Q4 2021

Period	Sectorial Approvals		Total	Total Amount Paid (₦ Million)
	Public	Private		
Oct-Dec. 2021	2,093	707	2,800	15,049.49

Note that the Total Amount paid is exclusive of Group Life Insurance

3.4.4 Enbloc Payment of Retirement Benefits

During the quarter under review, the Commission approved Enbloc payment of retirement benefits to 2,327 retirees whose RSA balances were ₦550,000.00 or below and considered insufficient to procure Programmed Withdrawal or Retiree Life Annuity of a reasonable amount for an expected life span. In this regard, a total sum of ₦586.62 million was paid to the 2,327 retirees from both the public and private sectors.

Table 3.21 Enbloc Payment of Retirement Benefits During Q4 2021

Period	Sectorial Approvals		Total	Total Amount Paid (N Million)
	Public	Private		
Oct - Dec. 2021	48	2,279	2,327	586.62

3.4.5 Withdrawal Due to Temporary Loss of Employment

The Commission approved the payment of ₦6,414.57 million to 10,804 RSA holders under the age of 50 years, who were disengaged from work and unable to secure jobs within four months, as shown in Table 3.22 below:

Table 3.22 Withdrawal Due to Temporary Loss of Employment

Period	Sectorial Approvals		Total	Total Amount Paid (N Million)
	Public	Private		
Oct-Dec. 2021	474	10,330	10,804	6,414.57

3.4.6 Voluntary Contributions

During the quarter under review, the Department granted approval of withdrawal from voluntary contribution accounts amounting to **₦1,672.10 million** to 988 contributors, as shown in Table 3.23 below.

Table 3.23: Accessing Voluntary Contributions During Q3 2021

Period	Sectorial Approvals		Total	Total Amount Paid (N Million)
	Public	Private		
Oct-Dec. 2021	49	852	988	1,672.10