



NATIONAL PENSION COMMISSION

PRESS RELEASE

PFAs Comply with N5 Billion Minimum Regulatory Capital Requirement

The National Pension Commission (PenCom) is pleased to inform all stakeholders and the general public that as at 27 April 2022, all Pension Fund Administrators (PFAs) have complied with the Commission's directive for the increase of the Minimum Regulatory Capital (Shareholders' Fund) from N1 billion to N5 billion.

Recall that the Commission had approved the recapitalisation exercise for the PFAs with a 12-month transition period from 27 April 2021 to 27 April 2022. The exercise became expedient as the value of pension fund assets under management and custody had grown exponentially by 244 percent, from N3 trillion in 2012 (when the previous recapitalisation was done) to N12.29 trillion (as at December 31, 2020). The sustained growth in assets implies greater fiduciary responsibilities that require more operational capacity by the PFAs. The urgent need to ramp up PFAs capacity to manage the increasing number of registered contributors and value of pension fund assets under management led to the recapitalisation exercise.

It is worthwhile to state that 10 PFAs had met the new regulatory capital requirement of N5 billion as at 31 December 2021, while the others intensified

efforts to meet the deadline of 27 April 2022. This resulted in some mergers and acquisitions, which led to the reduction of the number of PFAs from 22 to 20.

The Commission approved the acquisition of AICO Pension Managers Limited by FCMB Pensions Limited; and the merger between Tangerine Pensions Limited and APT Pension Funds Managers Limited and subsequent change of name of the merged entity to Tangerine APT Pensions Limited. In addition, the

Commission also approved Norrenberger's acquisition of IEI-Anchor Pension Managers Limited, after its acquisition of the majority shareholder, IEI Plc.

With the conclusion of the recapitalisation exercise, stakeholders, particularly RSA holders, should expect increased effectiveness and efficiency as well as improved service delivery from PFAs.

Signed

Management

29 April 2022

