



NATIONAL PENSION COMMISSION (PenCom)

SECOND-QUARTER 2023 REPORT

CORPORATE VISION AND MISSION

Vision

“To be an efficient regulator that promotes a resilient and sustainable pension industry delivering positive and measurable impact for contributors and the economy”

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”

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SECTION ONE

1.0 Operating Environment

1.1 Macroeconomic Developments

The Nigerian economy was expected to grow at a slower rate of 2.8% in the 2nd Quarter (Q2) of 2023 in a forecast published by the World Bank. Factors attributed to the slow growth included continued high inflation, high fuel costs due to subsidy removal and shortage of foreign exchange.

An increase in oil revenues was witnessed during the quarter due to surge in the price of crude oil, resulting from production cap set by Organization of the Petroleum Exporting Countries (OPEC) for its member countries. Additionally, the removal of oil subsidy regime had contributed to the realized revenue.

In line with global events, the domestic economy continued to experience rising inflation, as the rate increased to 22.79% in June, 2023 from 22.04% in March, 2023. The Monetary Policy Committee of the Central Bank of Nigeria increased the Monetary Policy Rate (MPR) to 18.50 from 18.00 in March 2023 to help reduce domestic money supply and moderate exchange rate pressures. However, inflationary pressures are expected to continue in tandem with global trend.

1.2 Developments in the Capital Market

1.2.1 The Stock Market

Activities on the Nigerian Bourse witnessed an increase as the All Share Index (NSE-ASI) and Market Capitalization closed at 60,968.27 points and ₦33.198 trillion as at 30 June 2023, compared to 54,232.34 points and ₦29.54 trillion in Q1 2023 indicating a gain of 12.42% (ASI) and 12.38% (Mkt Cap), in Q2 2023.

Trading activities increased in Q2 2023 when compared with Q1 2023 as the total volume of equities traded increased by 11.73% and the total value of equities traded rose by 42.27%. The increased activities on the Bourse was as a result of positive sentiment exhibited by trading investors during the quarter.

1.2.2 The Bond Market

The S&P/FMDQ Sovereign Bond Index, that tracks the performance of sovereign debt publicly issued by the Federal Government of Nigeria, increased by 6.94% as it grew from **₦611.76 Billion** as at 31 March 2023 to **₦657.35 Billion** as at 30 June 2023. The increase in the MPR resulted in an increase in short-and-medium-term yields.

SECTION TWO

2.0 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 Surveillance Department had presented the 2022 On-site Examination Reports to the Board of Directors of nine Licensed Pension Fund Operators. The reports highlighted key findings/issues from the Examination and commitments by the Board of Directors to address the issues, within agreed timelines.

As at 30 June 2023, the Department had concluded the 2023 On-site Risk-Based Examination of eight Licensed Pension Fund Operators in accordance with Section 92 (1) of the PRA 2014. The major objectives of the Examination were to assess the safety of pension assets under management, the operational efficiency and effectiveness as well as compliance of the Licenced Pension Operators with extant pension legislation, regulations and guidelines.

The Examination covered six significant areas: pension assets management; fund accounting & valuation; pension administration; benefits administration, Information & Communication Technology and Customer Support Services.

Relatively, the activities of the Licenced Pension Operators, were in compliance with extant legislation and sub-legislations. However, some observed lapses with regards to huge uncredited contributions, service delivery and maintenance of contributors' records, were highlighted during the Examination and are being addressed by the Operators.

2.1.2 Appointment, Resignations and Terminations of Executive/Non-Executive Directors and Top Management/Staff of Pension Fund Operators

The following appointments were approved by the Commission during the period.

Table 1: Appointment of Directors and Management Staff

S/N	Name of Nominee	Operator	Position	Date of Appointment
1	Mr. Sam Aiyere	First Pension Custodian Limited	Chairman/Non-Executive Director	08-Jun-23
2	DIG Danmallam Mohammed	NPF Pensions Limited	Non-Executive Director	13-Apr-23
3	Mr. Olusegun Fowora	FCMB Pensions Limited	Non-Executive Director	05-May-23
4	Mr. Lavin Aghaunor	Chevron Nigeria Closed PFA Limited	Non-Executive Director	11-May-23

5	Major General Bitrus Kwaji (Rtd)	Premium Pension Limited	Non-Executive Director	22-May-23
6	Ms. Sadiya El-Rufai	First Pension Custodian Limited	Non-Executive Director	06-Jun-23
7	Mr. Olaniyi Yusuf	First Pension Custodian Limited	Independent Non-Executive Director	06-Jun-23
8	Mrs. Oluwaremilekun Soyannwo	Shell Nigeria Closed Pension Fund Administrator Limited	Managing Director	16-May-23
9	Mrs. Adetoun Dosunmu	Guaranty Trust Pension Managers Limited	Managing Director/Chief Executive Officer	07-Jun-23
10	Mr. Uche Modestus Ihechere	Trustfund Pensions Limited	Acting Managing Director	08-Jun-23
11	Mrs. Zainab Kaka Bello-Abdulmalik	Access Pensions Limited	Head, Benefits Administration Department	13-Jun-23
12	Mrs. Lilian Onwudinjo	UBA Pensions Custodian Limited	Head, Business Development & Client Services Department	25-May-23
13	Kenneth Omeogu	Stanbic IBTC Pension Managers Limited	Head, Business Development Department	06-Jun-23
14	Mr. Muiyiwa Fagbenro	First Pension Custodian Limited	Head, Contributions Management Department	13-Jun-23
15	Mrs. Oluwakemi Adejumo Ojo	Radix Pension Managers Limited	Head, Finance & Accounts Department	17-Apr-23
16	Henry Anah	Stanbic IBTC Pension Managers Limited	Head, Finance Department	06-Jun-23
17	Mr. Akinsola Akinbunmi	Tangerine Apt Pensions Limited	Head, Internal Audit and Control Department	04-May-23
18	Mr. Oluseyi Olatunji Adeyemi	NLPC Pension Fund Administrators Limited	Head, Internal Audit Department	28-Apr-23
19	Mr. Akintunde Adekunle Anthony	Progress Trust CPFA Limited	Head, Investment Department	19-May-23
20	Mrs. Olutoyosi Adewumi	Tangerine Apt Pensions Limited	Head, Operations Department	05-Jun-23
21	Miss. Busayo Atekoja	Guaranty Trust Pension Managers Limited	Head, Risk Management Department	09-Jun-23
22	Mrs. Ngozi Bukola-Ajetunmobi	Fidelity Pension Managers Limited	Group Head, Human Resources	20-Jun-23
23	Mr. Ahmed Musa	NPF Pensions Limited	Chief Compliance Officer	04-May-23

24	Mrs. Emuesiri Oshodi	Trustfund Pensions Limited	Acting Head, Compliance Department	17-Apr-23
25	Mr. Ebere Amos	Trustfund Pensions Limited	Acting Head, Contributions Management & Enrolment Department	17-Apr-23
26	Mr. Afolabi Abimbola Adeisa	Trustfund Pensions Limited	Acting Head, Investment Department	17-Apr-23
27	Mrs. Chinyere Louisa Ibeji	Trustfund Pensions Limited	Acting Head, NSITF Department	17-Apr-23

2.1.3 Resignations of Board and Top Management Staff

A Head of Department resigned his appointment with the Operator during the period under review as stated below:

Table 2: Resignations of Directors and Top Management Staff

S/N	NAME	OPERATOR	POSITION	DATE OF RESIGNATION
1	Mr. Stanley Onwuchekwa	Radix Pension Managers Limited	Head, Internal Audit Department	1 June 2023

2.2 Update on Compliance by the Private Sector

2.2.1 Issuance of Pension Clearance Certificates (PCCs)

The Commission during the quarter under review, processed and issued a total of 16,925 PCCs to organizations that met the requirements and the sum of **₦57,371,827,529.95** was remitted into the Retirement Savings Accounts (RSAs) of 178,324 employees of the 16,925 organizations issued PCCs.

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

The Commission continued to maintain the services of Recovery Agents (RAs) for the recovery of unremitted pension contributions and penalties from defaulting employers. During the quarter under review, the sum of **₦268,121,040.49** comprising principal contributions (**₦84,036,512.36**) and penalties (**₦184,084,528.13**) was recovered from 21 defaulting employers. Meanwhile, the Commission Secretariat/Legal Advisory Services Department had been requested to take legal action against one defaulting employer. From the commencement of the recovery exercise in June 2012 to 30 June 2023, a total sum of **₦24,801,460,345.58** comprising of principal contributions (**₦12,524,718,753.27**) and penalties (**₦12,276,741,592.31**) was recovered from defaulting employers.

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

The Commission received 55 requests for refund of pension contributions to Military Personnel and other Security Agencies, out of which 22 requests were processed for payment and the sum of **₦1,782,401.76** was refunded to the affected personnel during the quarter. Nineteen (19) requests were not processed as they had been processed in earlier batches. Thirteen (13) requests could not be processed due to incomplete documentation while one was rejected because the personnel was not eligible for the refund of pension contributions.

2.2.4 Supervision of the Pension Transitional Arrangement Directorate (PTAD)

Pension Transitional Arrangements Directorate (PTAD) launched its 'I Am Alive' Confirmation Solution for Pensioners on 14 April 2023 at PTAD's Head Office in Abuja. Staff of the Compliance & Enforcement Department represented the Commission.

The Commission received 9 Defined Benefits Scheme related complaints within the quarter, all of which have been forwarded to the PTAD for resolution.

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

The Commission received seven (7) batches of NSITF transfer applications from Trustfund Pensions Limited (Trustfund) on behalf of 84 NSITF members requesting for the transfer of a sum of **₦5,004,553.10** into their respective RSAs. The requests were reviewed and approvals granted for the transfer of **₦4,591,223.63** into the RSAs of the 84 members with various Pension Fund Administrators, having met all the necessary requirements for the transfer of NSITF contributions.

The Commission also granted approval to Trustfund for payment of monthly pension to the tune of **₦42,342,115.26** to 2,394 NSITF pensioners during the quarter. Thus from 2006 to date, the total pension payments made to NSITF pensioners from the NSITF Fund amounted to **₦5,421,502,811.07**.

2.2.6 Complaints and Enquiries

The Commission received 31 complaints relating to non-remittance of pension contributions. Out of the number received, five (5) were resolved while the remaining 26 were at various stages of resolution.

2.3 Compliance by State Governments

2.3.1 Status of Implementation of the CPS and other Schemes

There were no changes in the status of the implementation of the CPS and other pension arrangements by States within the period under review. The number of States (including the Federal Capital Territory) with laws on the CPS remained

Twenty-Five (25), while Seven (7) States are at the Bill stage. Five States had enacted Laws on the Contributory Defined Benefits Scheme (CDBS) with two (2) out of the five (5), i.e. Jigawa and Kano currently implementing the Scheme (Kano is yet to transfer pension assets to a Pension Fund Custodian), while the three others (3), Gamble, Zamfara and Adamawa are yet to commence implementation of the CDBS. Further details on the status of the implementation of the CPS and other pension arrangements in the States are contained in the table below:

Table 3: Status of Implementation of Pension Reforms in States and FCT in Q2 2023

STATUS OF IMPLEMENTATION ON PENSION ARRANGEMENTS IN STATES AND THE FCT AS AT 30 JUNE 2023											
States with Enacted Laws on CPS	States with Pension Bureau/ Board in line with CPS	States Remitting ER & EE Pension Contributions	States that had 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 CDBS Pension Schemes	States at Bill Stage	Status of Compliance
25	15	10	8	10	8	8	7	2	5	7	
LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS	LAGOS				FULLY IMPLEMENTING CPS
FCT	FCT	FCT	FCT	FCT	FCT	FCT	FCT				FULLY IMPLEMENTING CPS
OSUN	OSUN	OSUN	OSUN	OSUN	OSUN	OSUN	OSUN				FULLY IMPLEMENTING CPS
KADUNA	KADUNA	KADUNA	KADUNA	KADUNA	KADUNA	KADUNA	KADUNA				FULLY IMPLEMENTING CPS
EKITI	EKITI	EKITI	EKITI	EKITI	EKITI	EKITI	EKITI				FULLY IMPLEMENTING CPS
EDO	EDO	EDO	EDO	EDO	EDO	EDO	EDO				FULLY IMPLEMENTING CPS
ONDO	ONDO	ONDO	N/A	N/A	N/A	ONDO	ONDO				FULLY IMPLEMENTING CPS
DELTA	DELTA	DELTA	DELTA	DELTA	DELTA	DELTA					SUBSTANTIALLY IMPLEMENTING CPS
ANAMBRA		ANAMBRA		ANAMBRA (LG)	ANAMBRA (LG)						PARTIALLY IMPLEMENTING CPS
BENUE	BENUE	BENUE									PARTIALLY IMPLEMENTING CPS
KEBBI	KEBBI							KEBBI			PARTIALLY IMPLEMENTING CPS
RIVERS	RIVERS		RIVERS	RIVERS	RIVERS			RIVERS			EXTENDED TRANSITION PERIOD
OGUN	OGUN										EXTENDED TRANSITION PERIOD
NIGER	NIGER			NIGER							EXTENDED TRANSITION PERIOD
BAYELSA	BAYELSA										NOT YET IMPLEMENTING CPS
KOGI	KOGI										NOT YET IMPLEMENTING CPS
ABIA											NOT YET IMPLEMENTING CPS
TARABA											NOT YET IMPLEMENTING CPS
IMO											NOT YET IMPLEMENTING CPS
SOKOTO											NOT YET IMPLEMENTING CPS

EBONYI											NOT YET IMPLEMENTING CPS
NASARA WA											NOT YET IMPLEMENTING CPS
ENUGU											NOT YET IMPLEMENTING CPS
OYO											NOT YET IMPLEMENTING CPS
BAUCHI											NOT YET IMPLEMENTING CPS
									JIGAWA		FULLY IMPLEMENTING CDBS
									KANO		PARTIALLY IMPLEMENTING CDBS
									ADAMAWA		NOT YET IMPLEMENTING CDBS
									GOMBE		NOT YET IMPLEMENTING CDBS
									ZAMFARA		NOT YET IMPLEMENTING CDBS
									PLATEAU		BILL STAGE
									CROSS RIVER		BILL STAGE
									BORNO		BILL STAGE
									AKWA IBOM		BILL STAGE
									KATSINA		BILL STAGE
									YOBE		BILL STAGE
									KWARA		BILL STAGE
<p>Notes:</p> <p>i. States with backlog of Remittances: Osun, Anambra, Delta, FCT Area Councils, Ekiti and Benue.</p> <p>ii. Anambra (LG): Only a one-off payment of ₦300 million was made in 2019.</p> <p>iii. Anambra (State Government) There is a backlog of unremitted pension contributions for State Government Employees from January 2018 to February 2022.</p> <p>However, the current Administration resumed remittances from March 2022 and it has been regular to date.</p> <p>iv. 2 States (Jigawa and Kano) are implementing CDBS.</p> <p>v. Gombe, Zamfara and Adamawa have laws on CDBS but are yet to commence implementation.</p> <p>Rivers State: Made a one-off payment of ₦300 million in 2012 for accrued rights.</p> <p>Abbreviations:</p> <p>i. EE – Employee; ER – Employer</p> <p>ii. CPS – Contributory Pension Scheme</p> <p>iii. CDBS – Contributory Defined Benefits Scheme</p> <p>iv. RBBRFA – Retirement Benefits Bond Redemption Fund Account</p> <p>v. GLI - Group Life Insurance.</p> <p>VI. N/A - Not Applicable</p>											

2.3.2 Lagos State Government ₦1Trillion Debt and Hybrid Issuance (DAHI) Programme – Issuance Series 1 (Conventional Bond) Series II (Sukuk) and Series III (Green Bond) Instruments

The Commission granted a “No Objection” for the inclusion of the Lagos State Government ₦100 Billion Series 1 Bond and ₦20 Billion Infrastructure SUKUK (Series II) under the ₦1Trillion Debt and Hybrid Instruments Issuance (DAHI) programme as investible instruments. This was in accordance with the provisions of the Regulation on Investment in States Bonds and the Circular on Minimum Requirements for the Inclusion of State Bonds as Investible Instruments in the Pension Industry issued by the Commission.

2.3.3 Update on activities of Zonal Offices

2.3.3.1 South West Zonal Office (SWZO)

The SWZO conducted a capacity building programme for officials of the Ekiti State Pension Commission on 18 May 2023, at the SWZO in Lagos. The programme was designed to equip the participants with the required skills to support the implementation of the CPS in the State.

The SWZO represented the Commission at the Retirees’ forum organised by Veritas Glanvills Pensions Limited in Oshogbo, Osun State. The SWZO also represented the Commission at the Annual General Meetings (AGM) of the following Pension Fund Operators:

- i) The 19th AGM of Stanbic IBTC Pension Managers Limited at Plot 1678, Olakunle Bakare Close Victoria Island Lagos on 5 May 2023;
- ii) The 18th AGM of NLPC Pension Fund Administrators Limited at the Bode Emanuel Centre, Lagos on 19 May 2023;
- iii) The 16th AGM of Leadway Pensure PFA Limited at 121/123 Funsho Williams Avenue Surulere, Lagos on 25 May 2023; and
- iv) The 41st AGM of Nestle Nigeria Trust (CPFA) Limited at No. 22/24, Industrial Avenue, Lagos on 13 June 2023.

The SWZO conducted the following Sensitisation Programmes in the Second Quarter:

- i. Sensitisation session on the workings of the CPS for staff of National Productivity Centre, Lagos State.
- ii. Sensitisation session on the workings of the CPS for staff of Glagos Building Investment Company, Lagos State.
- iii. Sensitisation session on the workings of the CPS for staff of Public Complaint Commission, Lagos State.
- iv. Sensitisation session on the workings of the CPS for staff of Parthian Partners Lagos State.
- v. Sensitisation session on the workings of the CPS for the Management staff of Veevee Paper Products Limited, Ogun State.

- vi. Sensitisation session on the workings of the CPS for Management and staff of Future Concerns Nigeria Limited, Lagos State.
- vii. Sensitisation session on the workings of the CPS for Management and staff of Federal Education and Quality Assurance Service, Lagos State.

2.3.3.2 South-South Zonal Office(SSZO)

The SSZO visited the Nigeria Television Authority (NTA), Radio Nigeria and Heat FM Radio in Calabar between 4 and 5 April 2023. This was aimed at creating a synergy with the media in educating the public on the workings and benefits of the CPS as well as recent developments in the pension industry.

The SSZO also held a meeting with the Executive members of the Association of Auto Spare Parts Dealers in Calabar on 23 May 2023 to discuss the features and benefits of the Micro Pension Plan (MPP).

In addition, the SSZO organized an Interactive Forum with Hotel Owners and Managers in Calabar on 28 April 2023 to discuss issues relating to non-compliance with the provisions of the Pension Reform Act 2014 by the private sector.

The SSZO conducted the following Sensitisation Programmes in the Second Quarter:

- i. Sensitisation session on the workings of the CPS for staff of the Nigerian Television Authority, Calabar.
- ii. Sensitisation session on the workings of the CPS for staff of National Identity Management Commission, Calabar.
- iii. Sensitisation session on the workings of the CPS for Management and staff of Federal Airport Authority of Nigeria (FAAN) at Margret Ekpo International Airport, Calabar.
- iv. Sensitisation session on the workings of the CPS for Management and staff of Nigeria Immigration Service (NIS) Calabar, Cross River State.

2.3.3.3 South East Zonal Office (SEZO)

The SEZO held a meeting on 14 June 2023 with the Head of Civil Service, Anambra State, to address issues relating to the implementation of the CPS in the State. The SEZO also participated in a meeting with the Nigerian Employers Consultative Association, Enugu Branch on 16 May 2023. The meeting among others, discussed issues relating to the implementation of the CPS by the private sector in the Zone. Similarly, the SEZO held a meeting with the Secretary, Anambra State Post Primary Schools Board on 9 June 2023 to address issues relating to the implementation of the CPS in the State.

Finally, the SEZO visited the Commissioner for Women Affairs and Social Development and the Director, Teachers Registration Council of Nigeria, Anambra State, on 8 and 15 June 2023 respectively. The visits were aimed at discussing the workings of the CPS and the modalities for accessing 25% of RSA balance for equity contribution for residential mortgage by RSA holders.

The SEZO conducted the following Sensitisation Programmes in the Second Quarter:

- i. Sensitisation session on the workings of the CPS for staff of Beracah Consulting Limited, Anambra State.
- ii. Sensitisation session on the workings of the CPS for staff of Public Complaint Commission, Anambra State.
- iii. Sensitisation session on the workings of the CPS for officers and men of the National Drug and Law Enforcement Agency (NDLEA), Awka, Anambra State.
- iv. Sensitisation session on the workings of the CPS for staff of Nigeria Immigration Service (NIS), Awka, Anambra State.
- v. Sensitisation session on the workings of the CPS for staff of National Examination Council (NECO), Awka, Anambra State.
- vi. Sensitisation session on the workings of the CPS for staff of Nigerian Postal Service, Awka, Anambra State.

2.3.3.4 North West Zonal Office (NWZO)

The NWZO conducted a Train-the-Trainers enlightenment programme on 18 August 2023 for staff of the Federal Airports Authority at the Mallam Aminu Kano International Airport, Kano. The programme was on the workings of the CPS and recent developments in the pension industry.

The NWZO conducted the following Sensitisation Programmes in the Second Quarter:

- i. Sensitisation session on the workings of the CPS for staff of the Council for the Regulation of Engineering in Nigeria (COREN) Kano State Office.
- ii. Sensitisation session on the workings of the CPS for staff of National Identity Management Commission(NIMC), Kano Office.
- iii. Sensitisation session on the workings of the CPS for staff of the Bank of Industry (BOI), Kano State Office.
- iv. Sensitisation session on the workings of the CPS for staff of Jigawa Savings and Loan, Dutse.
- v. Sensitisation session on the workings of the CPS for staff of National Agency for the Prohibition of Trafficking in Persons (NAPTIP), Kano State Office.
- vi. Sensitisation session on the workings of the CPS for staff of National Investment Promotion Commission (NIPC), Kano State Office.
- vii. Sensitisation session on the workings of the CPS for staff of Nigerian Export Promotion Council (NEPC), Kano State Office.

2.3.3.5 North East Zonal Office (NEZO)

The NEZO conducted a Sensitisation session on the workings of the CPS for staff National Commission for Museum and Monuments, Gombe State Office.

2.3.3.6 North Central Zonal Office (NCZO)

The NCZO conducted an enlightenment session on 10 August 2023 for Officers of the Nigeria Correctional Service, Kwara State Command, Ilorin. The main objective of the session was to enlighten the Officers on the modalities for

accessing 25% of RSA balance for equity contribution for residential mortgage by RSA holders.

The NCZO conducted the following Sensitisation Programmes in the Second Quarter:

- i. Sensitisation session on the workings of the CPS for staff of Pentacare, Hospital, Ilorin.
- ii. Sensitisation session on the workings of the CPS for staff of Al-Hikmah University, Ilorin.

2.3.4 Train-the-Trainer Programme for Volunteer Corps Members

The Commission participated at the National Peer Group Educator Programme on Financial Inclusion organized for 2023 NYSC Batch A (Stream II) between 5 – 16 May 2023 at various NYSC Orientation Camps in 21 States of the Federation and the Federal Capital Territory (FCT). Facilitators were drawn from the Central Bank of Nigeria (CBN), the Securities & Exchange Commission (SEC), the Commission and the Federal Ministry of Youth and Sports. The objective of the training was to educate Volunteer Corp Members on various financial products and services available in the country to enable them educate local communities during Community Development Service (CDS) in their various places of primary assignments.

2.4 Complaints/Enquiries Received

The Zonal Offices received a total of **1,680** complaints/enquiries on issues relating to multiple registrations and underpayment/non-payment of retirement benefits. A total of **1,554** of the complaints/enquiries were resolved at the respective Zonal Offices while the remaining **126** were forwarded to the relevant Departments in the Head Office for resolution.

2.5 Update on RSA Registrations

2.5.1 RSA Membership Count by PFA

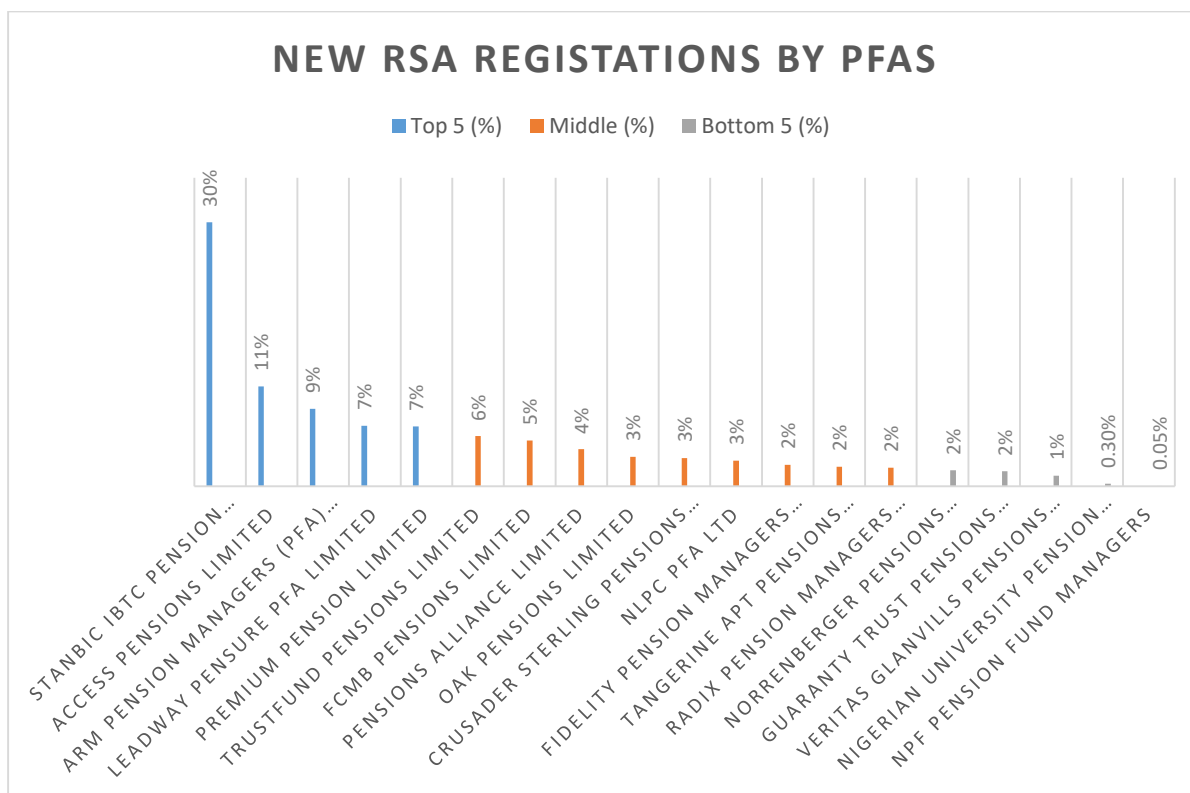
During the quarter under review, the nineteen (19) licensed Pension Fund Administrators (PFAs) registered a total of 63,693 new Retirement Savings Accounts (RSAs) under the Contributory Pension Scheme. It is imperative to note that the associated PINs have been issued to the respective RSA holders. A breakdown of the RSA registrations indicated that Stanbic IBTC Pension Managers and NPF Pension Fund Managers registered the highest and lowest numbers of new RSAs with 19,076 and 33, representing 30% and 0.05%, respectively, of the total RSAs registered during the quarter.

Table 4 below, provides details of the RSA registration count by PFAs for the quarter under review.

Table 4 Q2 2023 RSA Registration by PFA

S/N	PFA	Inception to 31 March 2023	No. of New Contributors Registered in Q2, 2023	Percentage	Total RSAs Registered from Inception to 30 June 2023
1	ARM Pension Managers (PFA) Ltd	896,635	5,587	9%	902,222
2	Access Pensions Limited	1,064,906	7,215	11%	1,072,121
3	Crusader Sterling Pensions Ltd	373,556	2,031	3%	375,587
4	FCMB Pensions Limited	737,484	3,314	5%	740,798
5	Fidelity Pension Managers Ltd	325,156	1,539	2%	326,695
6	Guaranty Trust Pensions Managers Ltd	88,541	1,078	2%	89,619
7	Leadway Pensure PFA Limited	694,870	4,369	7%	699,239
8	NLPC PFA Ltd	320,792	1,861	3%	322,653
9	Norrenberger Pensions Limited	160,526	1,148	2%	161,674
10	NPF Pension Fund Managers	323,219	33	0.05%	323,252
11	Nigerian University Pension Mgt. Co	59,880	189	0.30%	60,069
12	Oak Pensions Limited	232,223	2,128	3%	234,351
13	Pensions Alliance Limited	603,013	2,682	4%	605,695
14	Premium Pension Limited	778,874	4,322	7%	783,196
15	Radix Pension Managers Limited	44,753	1,346	2%	46,099
16	Stanbic IBTC Pension Managers Ltd	2,015,150	19,076	30%	2,034,226
17	Tangerine Apt Pensions Limited	266,944	1,399	2%	268,343
18	Trustfund Pensions Limited	801,675	3,620	6%	805,295
19	Veritas Glanvills Pensions Limited	157,340	756	1%	158,096
		9,945,537	63,693	100%	10,009,230

Figure 1 New RSA Registrations by PFAs



2.5.2 Gender and Age Distribution

A review of the age distribution of the 63,693 new RSA holders registered in Q2, 2023 reveals that 52,079 representing 82% are active contributors below the age of 40 years. A total of 8,359 of the new RSA holders representing 13% were within the age of 40-49 years. Those between the age of 50-59 years accounted for 2,689 representing 4% while 566, representing less than 1% of the new RSA holders are aged 60 years and above. The large number of young contributors registered under the CPS is indicative of the sustainability of the Scheme.

Table 5 below provides details on the age and gender distribution of the registrations that took place during the quarter ended 30 June 2023.

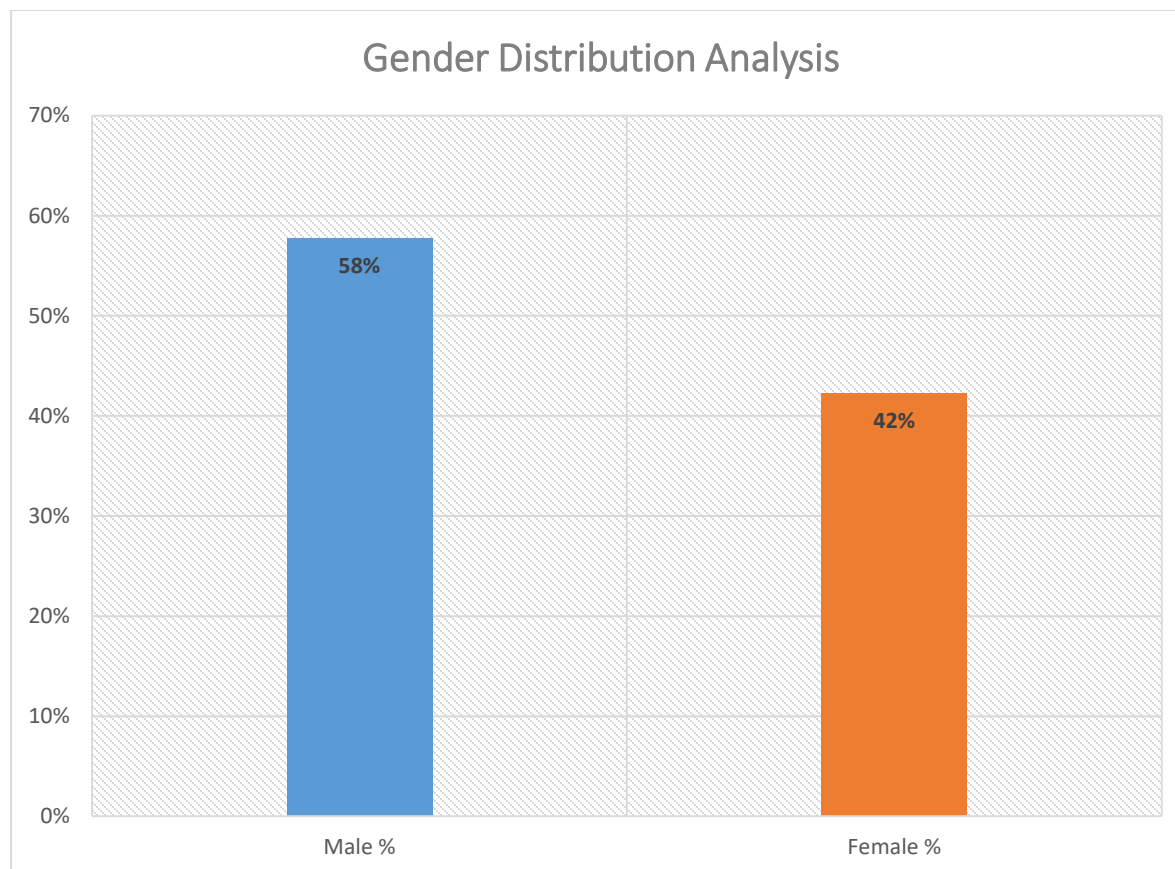
Table 5 Q2 2023 Gender Distribution of RSA Registrations

1April-30 June 2023				
Age	Female	Male	Total	Percentage
Less than 30 years	13,782	15,385	39,167	45.8
30 - 39 years	8,686	14,226	22,912	36.0
40 - 49 years	3,282	5,077	8,359	13.1
50 - 59 years	981	1,708	2,689	4.2
60 - 65 years	154	285	439	0.7

Above 65 years	25	102	127	0.2
Total	26,910	36,783	63,693	100

The gender distribution of the new RSA holders registered during the quarter under review indicated that the female gender accounted for 26,910 representing 42.2% while their male counterparts recorded 36,783 or 58%. Please see graph below for a pictorial breakdown of the gender distribution:

Figure 2: Gender Distribution Analysis



2.6 Update on the Micro Pension Plan

2.6.1 Micro Pension Registration and Contribution

Out of the 63,693 RSAs registered during the quarter under review **5,967** were Micro Pension Contributors (MPCs) registered by **17** Pension Fund Administrators. This brings the total number of registered MPCs to **99,192** as at 30 June, 2023. Details of the registered MPCs by PFA is shown in Table 6 below:

Table 6 Q2 2023 RSA Registrations for MPP

S/N	PFA Name	Total No. of RSAs as at 31 March 2023	RSAs for April 2023	RSAs for May 2023	RSAs for June 2023	Total No of RSAs for Q2,2023	Total No. of RSAs as at 30 June 2023	Weight (%)
1	Access Pensions Limited	1,128	173	822	841	1,836	2,964	2.99
2	ARM Pension Managers (PFA) Limited	22,990	177	247	19	443	23,433	23.62
3	Crusader Sterling Pensions Limited	1,465	0	2	10	12	1,477	1.49
4	FCMB Pensions Limited	4,391	31	20	8	59	4,450	4.49
5	Fidelity Pension Managers Limited	6,977	16	20	6	42	7,019	7.08
6	Guaranty Trust Company	3,235	3	0	3	6	3,241	3.27
7	Leadway Pensure PFA Limited	1,208	23	7	3	33	1,241	1.25
8	NLPC Pension Fund Administrators Limited	2,166	15	18	5	38	2,204	2.22
9	Norrenberger Pensions	1,130	0	0	1	1	1,131	1.14
10	Oak Pensions Limited	915	10	13	0	23	938	0.95
11	Pensions Alliance Limited	7,163	2	22	3	27	7,190	7.25
12	Premium Pensions Limited	6,662	7	30	2	39	6,701	6.76
13	Radix Pension Managers Limited	250	3	7	4	14	264	0.27
14	Stanbic IBTC Pension Managers Limited	17,338	1,300	1,227	628	3,155	20,493	20.66
15	Tangerine APT Pensions Limited	7,331	51	96	62	209	7,540	7.60

16	Trustfund Pensions PLC	5,000	4	4	4	12	5,012	5.05
17	Veritas Glanvills Pensions Limited	3,876	5	11	2	18	3,894	3.93
	Grand Total	93,225	1,820	2,546	1,601	5,967	99,192	100.00

The table above reveals that within the second quarter, Stanbic IBTC Pension Managers Limited, Access Pensions Limited and ARM Pension Managers (PFA) Limited registered the largest number of MPCs with **3,155**, **1,836** and **443** respectively. Conversely, Guaranty Trust Company (GTCO) and Norrenberger Pensions had the least RSA numbers with **06** and **01** in the same period. Furthermore, from inception of the MPP to 30 June 2023, ARM Pension Managers (PFA) Limited, Stanbic IBTC Pension Managers Limited and Tangerine APT Pensions Limited registered the largest number of MPCs with **23,433**, **20,493** and **7,540** respectively as at 30 June 2023.

2.6.2 Pension Contributions Received From Micro Pension Contributors for Q2 2023

The total Pension Contributions received from MPCs in Q2 2023 was **₦52,911,995.07**. This brought the total Pension Contributions made by the MPCs to **₦469,028,731.63** as at 30 June 2023 as shown in Table 7 below:

Table 7 Q2 2023 Contributions Received for Micro Pension Plan (MPP)

S/N	PFA Name	Total Contributions as at March 2023 (₦)	Contributions Received for Q2 2023			Total Contributions for 2nd Qtr 2023	Total Contributions as at 30 June 2023 (₦)	% of Total Contribution
			Apr 2023 (₦)	May 2023 (₦)	Jun 2023 (₦)			
1	Access Pensions Limited	2,751,963.85	60,900.00	159,400.00	254,775.00	475,075.00	3,227,038.85	0.69
2	ARM Pension Managers (PFA) Limited	57,978,374.64	3,076,845.12	2,615,838.36	4,426,696.35	10,119,379.83	68,097,754.47	14.52
3	Crusader Sterling Pensions Ltd	2,953,057.75	40,000.00	25,000.00	0.00	65,000.00	3,018,057.75	0.64
4	FCMB Pensions Limited	11,658,819.48	211,000.00	120,000.00	390,120.00	721,140.00	12,379,959.48	2.64
5	Fidelity Pension Managers Limited	40,750,187.14	5,239,000.00	375,700.00	645,500.00	6,260,200.00	47,010,387.14	10.02
6	Guaranty Trust Company	1,570,792.81	388,000.00	265,080.00	120,650.00	773,730.00	2,344,522.81	0.50
7	Leadway Pensure PFA Limited	5,008,755.04	501,706.00	459,274.88	229,890.00	1,190,870.88	6,199,625.92	1.32
8	NLPC Pension Fund Administrators Limited	2,496,131.01	47,000.00	68,000.00	31,000.00	146,000.00	2,642,131.01	0.56
9	Norrenberger Pensions	8,252,346.32	14,060.00	6,120.00	1,020.00	21,200.00	8,273,546.32	1.76
10	Oak Pensions Limited	2,388,507.12	90,316.36	102,000.00	183,150.00	375,466.36	2,763,973.48	0.59
11	Pensions Alliance Limited	19,941,288.54	101,700.00	893,000.00	460,000.00	1,454,700.00	21,395,988.54	4.56

12	Premium Pensions Limited	30,071,763.14	610,500.00	633,500.00	865,000.00	2,109,000.00	32,180,763.14	6.86
13	Radix Pension Managers Limited	788,391.77	0.00	0.00	0.00	0.00	788,391.77	0.17
14	Stanbic IBTC Pension Managers Limited	184,409,515.67	7,478,902.00	9,882,525.50	6,287,811.09	23,649,238.59	208,058,754.26	44.36
15	Tangerine APT Pensions	10,864,271.87	668,849.10	757,150.50	379,880.81	1,805,880.41	12,670,152.28	2.70
16	Trustfund Pensions PLC	15,226,104.91	111,500.00	35,600.00	141,500.00	288,600.00	15,514,704.91	3.31
17	Veritas Glanvills Pensions Limited	19,006,465.50	850,500.00	1,763,119.00	842,895.00	3,456,514.00	22,462,979.50	4.79
	Grand Total	416,116,736.56	19,490,778.58	18,161,328.24	15,259,888.25	52,911,995.07	469,028,731.63	100.00

A breakdown of the pension contributions received in Q2 2023 showed that Stanbic IBTC Pension Managers Limited, ARM Pension Managers (PFA) Limited, and Fidelity Pension Managers Limited had the highest contributions collected within the period with **N23,649,238.59**, **N10,119,379.83** and **N6,260,200.00** respectively. The PFAs with the lowest contributions were Crusader Sterling Pensions Limited and Norrenberger Pensions with **N65,000.00** and **N21,200.00** respectively. Radix Pension Managers Limited did not receive any contribution from their registered MPCs during the quarter under review.

Out of the total pension contributions received, Stanbic IBTC Pension Managers Limited, ARM Pension Managers (PFA) Limited and Fidelity Pension Managers Limited accounted for the largest amount with **N208,058,754.26**, **N68,097,754.47** and **N47,010,387.14** representing 44.36%, 14.52% and 10.02% of the total contributions received as at 30 June 2023 respectively.

2.6.3 Contingent Withdrawals for Q2 2023

Five (5) PFAs processed and received approvals for MPP Contingent Withdrawals for Ten (10) MPCs amounting to **N3,099,045.58** in Q2 2023. This brought the total contingent withdrawals to **N32,242,116.28** for **159** MPCs as at 30 June 2023 as shown in Table 8 below:

Table 8 Q2 2023 Contingent withdrawals from MPP

S/N	PFA	No. of RSAs	Amount (N)
1.	ARM Pension Managers (PFA) Limited	4	426,195.69
2.	Fidelity Pensions Limited	3	1,349,000.00
3.	Trustfund Pensions	1	170,622.82
4.	Veritas Glanvills Pensions Limited	1	398,659.47
5.	Stanbic IBTC Pensions Limited	1	754,567.60
	Total	10	3,099,045.58

2.6.4 Conversion to Mandatory Contributory Pension Scheme (CPS)

A total of 74 MPCs converted from MPP to the Mandatory CPS in Q2, 2023 having secured formal employment. Their total pension assets were valued **N888,987.03** as at the end of the reporting period. The total number of MPCs that converted from MPP to the mandatory CPS and their contributions stood at 639 and **N7,218,595.12** respectively as at 30 June 2023. The breakdown of the number of the affected MPCs and their pension contributions by PFA is shown in Table 9 below.

Table 9 Q2 2023 Conversion from MPP to Mandatory CPS

S/N	PFA	No. of RSAs	Amount (₦)
1.	ARM Pension Managers (PFA) Limited	27	502.81
2.	FCMB Pensions Limited	2	50,401.78
3.	Fidelity Pension Managers Limited	2	98,953.47
4.	Norrenberger Pensions Limited	1	6,021.08
5.	Pension Alliance Limited	7	0.00
6.	Premium Pensions Limited	1	0.00
7.	Stanbic IBTC Pension Managers Limited	15	301,547.39
8.	Tangerine APT Pensions	6	431,560.50
9.	Trustfund Pension Managers Limited	13	0.00
	Total	74	888,987.03

2.6.5 Engagement with Key Stakeholders

The Commission participated at the Micro Pension Open Day organised by the Pension Fund Operators of Nigeria (PenOp), in Lagos on 31 May 2023. The theme of the event was “Micro Pension Challenges, Prospects for Growth and Deepening Financial Inclusion in Nigeria”. The event, which brought together key players in the Micro Pension space i.e. PFAs, PFCs, Service Providers, Industry Experts and the media, created a platform to discuss measures and innovative ideas that would enhance the implementation of the MPP while providing the platform for market and insights required to examine best practices regarding the current state of Micro Pension in Nigeria.

2.6.6 RSA Transfers

During the quarter under review, a total of 34,359 RSAs were transferred to their new PFAs alongside their associated pension assets. This covers RSA transfer requests submitted by PFAs from 1 March to 31 May 2023, that were due for transfer in the 2nd quarter of 2023. The total value of the pension assets in respect of the 34,359 RSAs transferred was **₦158,604,098,543.41**.

The Commission also received a total of 29,651 RSA transfer requests during the quarter. However, it is noteworthy that a portion of these requests covering April and May had already been processed in Q2, 2023 while the portion covering 1 – 30 June, 2023 will be processed in Q3: 2023.

2.6.7 Biodata Updates

During the quarter under review, the Commission received, a total of 10,534 requests to update the biodata of RSA holders on the ECRS, from the PFAs. This number included uploads on the ECRS that failed validation by the National Identity Management Commission (NIMC) due to first or surname mismatch. Hence, the Commission was able to review and approve the biodata update of 6,857 RSA holders only while 3,677 requests were rejected for incomplete documentation.

A breakdown of the requests revealed that ARM Pension Managers Limited submitted majority of the requests for its 5,468 customers. Out of this number, 3,499 were accepted while 1,969 were out rightly rejected. The table below shows details of analysis of the biodata updates submitted by all the licensed PFAs during the period under review.

Table 10: Q2 2023 Analysis of the Biodata Updates

S/N	PFA	TOTAL	ACCEPTED	REJECTED
1	Access Pension Limited	201	52	149
2	ARM Pension Manager	5,468	3,499	1,969
3	CrusaderSterling Pension	73	30	43
4	FCMB Pension Limited	33	3	30
5	Fidelity Pension Manager Ltd	42	8	34
6	Guaranty Trust Pension Ltd	28	22	6
7	Leadway Pensure PFA Ltd	64	20	44
8	NLPC Pension Limited	2,254	1,640	614
9	Norrenberger Pension Limited	46	31	15
10	NPF Pension Limited	34	10	24
11	Nigeria Universities Pension Mgt Co.	411	294	117
12	Oak Pension Limited	26	8	18
13	Pension Alliance Limited	127	39	88
14	Premium Pensions Limited	636	452	184
15	Radix Pension Limited	15	3	12
16	StanbicBTC Pension Managers Ltd	157	62	95
17	Tangerine APT Pensions Limited	60	26	34
18	Trustfund Pensions Limited	320	201	119
19	Veritas Glanvils Pension Limited	539	457	82
		10,534	6,857	3,677

2.6.8 Update on Data Recapture of Existing RSA Holders

In line with the Pension Industry initiative to ensure clean and credible data of all RSA holders registered under the CPS, 19 licensed PFAs embarked on the Data Recapture Exercise of RSA holders registered on the Contributor Registration System (CRS). During the review period, a total of **59,415** RSA holders were duly recaptured on the Enhanced Contributor Registration System (ECRS).

The table below shows details of RSA holders recaptured by each PFA in Q2 2023:

Table 11: Number of RSA Holders Recaptured in Q2 2023

S/N	PFA	Total	Weight (%)
1	ARM Pension Managers (PFA) Limited	2,895	4.9
2	Access Pensions Limited	4,091	6.9
3	Crusader Sterling Pensions Limited	2,160	3.6
4	FCMB Pensions Limited	2,956	5.0
5	Fidelity Pension Managers Limited	704	1.2
6	Guaranty Trust Pensions Managers Limited	672	1.1
7	Leadway Pensure PFA Limited	2,702	4.5
8	NLPC Pension Fund Administrators Limited	5,950	10.0
9	Norrenberger Pensions Limited	468	0.8
10	NPF Pension Fund Managers	4,685	7.9
11	Nigerian University Pension Management Co	498	0.8
12	Oak Pensions Limited	3,174	5.3
13	Pensions Alliance Limited	2,410	4.1
14	Premium Pension Limited	1,786	3.0
15	Radix Pension Managers Limited	87	0.1
16	Stanbic IBTC Pension Managers Limited	17,001	28.6
17	Tangerine Apt Pensions Limited	2,469	4.2
18	Trustfund Pensions Limited	2,535	4.3
19	Veritas Glanvills Pensions Limited	2,172	3.7
		59,415	100.0

2.6.9 Update on Resolution of Multiple RSA Registrations

The Commission received a total of 171 requests from RSA holders who had cases of multiple registrations with PFAs. Consequently, the Commission determined the valid PINs and deleted the invalid PINs, accordingly. It is also important to note that the Commission has since advised the relevant Departments, Benefits and Insurance and Contribution and Bond Redemption Departments, to ensure that all balances standing to the credit of the invalid PINs were determined and duly transferred to the valid PINs. The table below shows details of deleted PINs during Q2 2023.

Table 12: Breakdown of Deleted PINs in Q2, 2023

S/N	PFA	No. of PINs Deleted
1	Access Pensions Limited	14
2	ARM Pension Managers (PFA) Limited	18
3	Crusader Sterling Pensions Limited	5
4	FCMB Pensions Limited	13
5	Fidelity Pension Managers Limited	1
6	Guaranty Trust Pensions Managers Limited	1
7	Leadway Pensure PFA Limited	17
8	Nigerian University Pension Management Co	1
9	NLPC Pension Fund Administrators Limited	3
10	Norrenberger Pensions Limited	3
11	NPF Pension Fund Managers	3

12	Oak Pensions Limited	1
13	Pensions Alliance Limited	8
14	Premium Pension Limited	6
15	Radix Pension Managers Limited	1
16	Stanbic IBTC Pension Managers Limited	43
17	Tangerine Apt Pensions Limited	1
18	Trustfund Pensions Limited	29
19	Veritas Glanvills Pensions Limited	3
		171

2.6.10 Registration of Nominal RSAs (Temporary PINs)

During the period under review, seven (7) public and private sectors employers requested 3 different PFAs to open 16 nominal RSAs for their employees (active and deceased) who were yet to register under the CPS after 6 months of assumption of duty. This is consistent with the provisions of Section 11 (5) of the PRA 2014. The table below shows details of TPINs opened in Q2 2023:

Table 13 TPINs Registered in Q2, 2023

SN	PFA	Employer	TPINs Generated for Employees
1	Premium Pensions Ltd	1	1
2	Pension Alliance Ltd	4	13
3	Oak Pensions Limited	2	2
		7	16

2.6.11 Employer Code Generation

In Q2 2023, the Commission processed a total of 2,178 requests for Employer Codes, which were duly generated and forwarded to the respective employers. Analysis of the employer codes generated within the period revealed that 1,932, representing 89% were submitted by the PFAs via the ECRS platform while 246 or 11% were submitted as hardcopy requests. This is indicative of the growing acceptance of automation of pension industry processes by various stakeholders. The table below shows the analysis of the employer codes generated during Q2 2023:

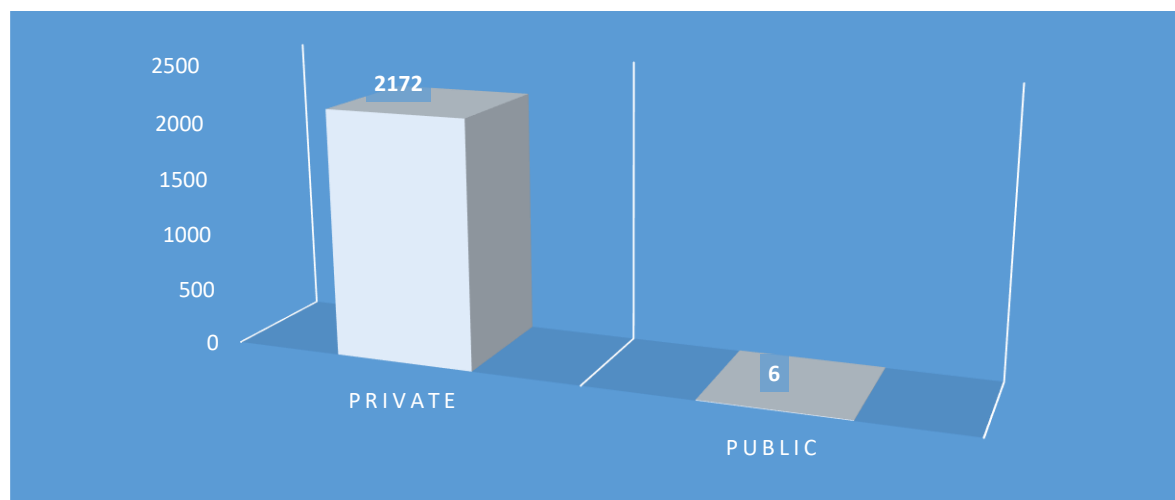
Table 14: Analysis of Employer Codes Generated in Q2 2023

S/N	Source of Submission	Employer Codes Generated
1	Access Pension Limited	182
2	ARM Pension Managers Limited	170
3	CrusaderSterling Pension Limited	81
4	FCMB Pension Limited	280
5	Fidelity Pension Managers Limited	61
6	Guaranty Trust Pensions Limited	4

7	Leadway Pensure PFA Limited	119
8	NLPC Pensions Limited	51
9	Norrenberger Pensions Limited	103
10	Oak Pensions Limited	146
11	Pension Alliance Limited	69
12	Premium Pensions Limited	213
13	Radix Pensions Limited	6
14	Stanbic IBTC Pension Managers Ltd	243
15	Tangerine APT Pensions Limited	93
16	Trustfund Pension Limited	76
17	Veritas Glanvils Pension Limited	35
18	PenCom Surface Mail	246
		2,178

It is important to note that, out of the 2,178 employer codes generated during the period under review, only 6 were from Public Sector Institutions while Private Sector Organisations accounted for 2,172. The Column Chart below shows the pictorial representation of the distribution of the volume of employer codes issued by the Commission in Q2 2023.

Figure 3: Number of Employer Codes Generated in Q2 2023



2.6.12 Resolution of Complaints

The Commission received a total of 212 complaints from RSA holders and employers through the numerous channels provided by the Commission. The nature of complaints ranged from data recapture issues, multiple RSAs, RSA transfers, mismatched Employer Codes, etc. As at the end of Q2 2023, the Commission had successfully resolved 192 of the complaints, representing a high successful complaints resolution rate of 90.6%. The remaining 20 complaints were at various stages of resolution.

SECTION THREE

3.0 Pension Industry Statistics

3.1 Pension Contributions

The total pension contributions remitted to individual RSAs in Q2 2023 stood at ₦263.91 billion. Out of this total, the public sector accounted for ₦146.14 billion or 55.38%, while the private sector contributed ₦117.73 billion or 44.61%. Micro Pension accounted for ₦41.96 million or 0.02%. The cumulative pension contributions from inception to the end of the second quarter of 2023 amounted to ₦9.37 trillion. Details of the pension contributions remitted into the RSAs are shown below:

Table 15: Total Contribution from Inception to date

Total Contribution for Inception to date						
Year/Quarter	Public Sector		Private Sector		Total	
	Amount (N billion)	% of Total	Amount (N billion)	% of Total	Amount (N billion)	% of Total
2004	15.60	0.32	0	0	15.60	0.17
2005	34.68	0.71	0	0	34.68	0.37
2006	37.38	0.77	23.03	0.51	60.41	0.64
2007	80.63	1.66	68.34	1.52	148.97	1.59
2008	99.28	2.04	80.81	1.80	180.09	1.92
2009	137.10	2.82	91.21	2.03	228.31	2.44
2010	162.46	3.34	103.03	2.29	265.49	2.83
2011	228.92	4.70	119.53	2.66	348.45	3.72
2012	302.24	6.21	159.52	3.55	461.76	4.93
2013	278.50	5.72	225.42	5.01	503.92	5.38
2014	237.76	4.88	343.97	7.65	581.73	6.21
2015	200.05	4.11	358.91	7.98	558.96	5.97
2016	225.86	4.64	262.33	5.83	488.20	5.21
2017	257.11	5.28	353.73	7.87	610.84	6.52
2018	266.84	5.48	340.72	7.58	607.55	6.49
2019	331.56	6.81	369.13	8.21	700.69	7.48
2020	536.97	11.03	371.12	8.25	908.09	9.69
2021	491.75	10.10	387.40	8.61	879.15	9.39
2022	533.81	10.96	504.17	11.21	1,037.98	11.08
Q1 2023	124.70	2.56	100.79	2.24	225.49	2.41
Q2 2023	286.69	5.89	234.27	5.21	520.96	5.56
Total	4,869.89	100.00	4,497.43	100.00	9,367.32	100.00

3.1.1 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 Q2 2023, indicated that the top five ranked PFAs received 70.98% of the total contributions as at the end of Q2 2023. Similarly, the top ten ranked PFAs accounted for 91.15% of the total contributions. In comparison, the bottom five and bottom 10 PFAs accounted for 3.92% and 15.10% of the total pension contributions, respectively.

Table 16: Ranking of PFAs by Amount of Contributions Received

RANK	AMOUNT	WEIGHT (%)
TOP 5	167,556,211,323.88	63.49
TOP 10	231,824,269,897.81	87.85
BOTTOM 5	8,719,838,270.94	3.30
BOTTOM 10	39,848,790,795.58	15.10

3.1.2 Overview of Pension Industry Fund Portfolio

The total value of Pension Fund assets as at 30 June 2023 was ₦16.76 trillion, which comprised of ₦11.86 trillion, RSA ‘Active’ Funds (i.e. RSA Funds I, II, III, V and VI active); ₦1.27 trillion, RSA Retiree Fund IV; ₦2.02 trillion, CPFAs; and ₦1.61 trillion, Approved Existing Schemes.

Pension Fund Assets were mainly invested in Federal Government Securities (FGN), which accounted for 64.78% of total assets. The composition of investments in FGN Securities were as follows: FGN Bonds, 95.82%; Treasury Bills, 1.77%; and Agency Bonds, Sukuk and Green Bonds, 2.41%.

A Summary of the Pension Industry Portfolio across fund types for the second quarter (Q2 2023) ended 30 June 2023, is shown in Table 17 below:

Table 17: Pension Fund Portfolio by Fund Type as at 30 June 2023

	RSA FUNDS		CPFAs	AES	TOTAL PENSION FUND ASSETS	WEIGHT (%)
	RSA ACTIVE FUNDS	RSA IV and VI RETIREE FUND				
	(I,II,III,V,VI)					
% OF PENSION ASSETS	71%	8%	12%	10%	100%	
ASSET CLASS	₦'Billion	₦'Billion	₦'Billion	₦'Billion	₦'Billion	
Domestic Ordinary Shares	1,084.61	18.74	42.41	123.00	1,268.75	7.57
Foreign Ordinary Shares	-	-	192.25	-	192.25	1.15
FGN Securities:	8,038.66	906.52	971.71	941.22	10,858.10	64.78
<i>FGN Bonds</i>	7,760.54	877.27	869.97	896.66	10,404.44	62.07
<i>Treasury Bills</i>	134.11	16.18	8.24	33.90	192.43	1.15
<i>Agency Bonds (NMRC)</i>	9.53	0.69	0.62	1.32	12.15	0.07
<i>Sukuk</i>	130.50	12.23	0.62	9.01	152.35	0.91
<i>Green' Bond</i>	3.97	0.16	92.27	0.33	96.72	0.58
State Govt. Securities	206.72	23.50	24.70	22.43	277.36	1.65
Corporate Debt Securities	1,152.56	150.12	433.03	150.41	1,886.11	11.25
Supra-National Bonds	7.57	0.92	-	1.11	9.60	0.06
Local Money Market Securities:	1,079.74	153.60	112.91	208.94	1,555.19	9.28
<i>Bank Placement</i>	967.07	136.99	104.96	175.56	1,384.57	8.26
<i>Commercial Papers</i>	112.67	16.61	7.95	33.38	170.62	1.02
Foreign Money Market Securities	-	-	37.37	-	37.37	0.22
Mutual Funds:	71.07	1.74	29.20	15.20	117.20	0.70
<i>Open/Close-End Funds</i>	60.55	1.37	28.82	3.23	93.96	0.56
<i>REITs</i>	10.52	0.38	0.38	11.97	23.24	0.14
Real Estate Properties	-	-	118.66	97.88	216.54	1.29
Private Equity Fund	37.72	-	19.38	0.33	57.43	0.34
Infrastructure Fund	101.62	0.20	19.71	5.46	126.99	0.76
Cash & Other Assets	80.42	14.02	17.99	46.21	158.64	0.95
Net Assets Value	11,860.68	1,269.36	2,019.31	1,612.19	16,761.54	100.00

The industry Net Asset Value (NAV) as at the end of the reporting period increased by 7.57% (**₦1.18 billion**) to **₦16.76 trillion** compared to a NAV of **₦15.58 trillion** as at 31 March, 2023. The growth in Q2 2023 was significant relative to the growth of **₦589.85 billion** (3.93%) recorded in Q1 2023. The growth was mainly due to significant positive investment returns and contributions received during the period.

The table below, shows the comparative Pension Industry Portfolio for the period ended 31 March and 30 June, 2023 respectively.

Table 18: Pension Industry Assets as at 31 March 2023 and 30 June 2023

	TOTAL PENSION FUND ASSETS		TOTAL PENSION FUND ASSETS		VARIANCE	
	31-Mar-23		30-Jun-23		Mar' 23 - Jun' 23	
ASSET CLASS	₦Billion	Weight %	₦Billion	Weight %	₦Billion	Weight %
Domestic Ordinary Shares	1,043.17	6.69	1,268.76	7.57	225.59	21.63
Foreign Ordinary Shares	114.84	0.74	192.25	1.15	77.41	67.41
FGN Securities:	10,196.98	65.44	10,858.08	64.78	661.10	6.48
FGN Bonds	9,784.74	62.79	10,404.44	62.07	619.69	6.33
Treasury Bills	185.51	1.19	192.43	1.15	6.92	3.73
Agency Bonds (NMRC)	11.28	0.07	12.15	0.07	0.88	7.77
Sukuk	157.34	1.01	152.34	0.91	(5.00)	-3.18
Green bonds	58.10	0.37	96.72	0.58	38.62	66.46
State Govt. Securities	162.20	1.04	277.36	1.65	115.16	71.00
Corporate Debt Securities	1,690.58	10.85	1,886.11	11.25	195.53	11.57
Supra-National Bonds	9.92	0.06	9.60	0.06	(0.31)	-3.16
Local Money Market Securities	1,730.81	11.11	1,555.18	9.28	(175.63)	-10.15
Foreign Money Market Securities	20.79	0.13	37.37	0.22	16.57	79.70
Mutual Funds:	112.59	0.72	117.21	0.70	4.62	4.10
Open/Close-End Funds	86.56	0.56	93.97	0.56	7.42	8.57
REITs	26.04	0.17	23.24	0.14	(2.80)	-10.75
Real Estate Properties	218.30	1.40	216.54	1.29	(1.76)	-0.81
Private Equity Fund	44.08	0.28	57.43	0.34	13.35	30.29
Infrastructure Fund	123.36	0.79	126.99	0.76	3.63	2.94
Cash & Other Assets	114.85	0.74	158.69	0.95	43.84	38.17
Net Assets Value	15,582.47	100.00	16,761.55	100.00	1,179.08	7.57

The value of investments in quoted ordinary shares (domestic and foreign) stood at **₦1,461.01 billion** (8.72% of total assets under management) indicating a net increase of **₦303 billion** (26.17%) compared to **₦1,158.01 billion** as at 31 March, 2023. 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 35.42% in Q2 2023.

The value of investments in FGN Securities increased by **₦661.10 billion** (6.48%) to **₦10.86 trillion** as at 30 June 2023 from **₦10.20 trillion** as at 31 March 2023. The increase in the value of investments in FGN Securities was majorly due to additional investments in this asset class during the quarter.

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 ₦11.82 trillion as at 30 June 2023. This represented a net growth of ₦634.57 billion (5.67%) as the NAV grew from ₦11.19 trillion as at 31 March, 2023 to ₦11.82 trillion as at 30 June, 2023.

These figures were exclusive of the balance of ₦37.63 billion and ₦38.16 billion in respect of the Contributions of FGN workers awaiting transfers to PFAs as at 31 March, 2023 and 30 June, 2023 respectively. The breakdown of the NAV of the RSA 'Active' Funds exclusive of the unremitted contributions of ₦31.68 billion domiciled with CBN and the comparative variances for the period ended 31 March and 30 June, 2023 respectively are presented in Table 19 below:

Table 19: RSA Active Fund Assets –31 March/30 June 2023

ASSET CLASS	RSA ACTIVE FUND				Variance	
	Mar-23		Jun-23		Mar' 22/Jun' 23	
	₦Billion	Weight %	₦Billion	Weight %	₦Billion	Weight %
Domestic Ordinary Shares	891.19	7.97	1,084.61	9.17	193.42	21.70
FGN Securities:	7,548.39	67.47	8,000.50	67.67	452.11	5.99
FGN Bonds	7,301.18	65.26	7,760.54	65.64	459.36	6.29
Treasury Bills	99.92	0.89	95.95	0.81	(3.97)	- 3.97
Agency Bonds (NMRC)	9.57	0.09	9.53	0.08	(0.03)	- 0.35
Sukuk	133.59	1.19	130.50	1.10	(3.09)	- 2.31
Green	4.13	0.04	3.97	0.03	(0.16)	- 3.84
State Govt. Securities	115.05	1.03	206.72	1.75	91.67	79.68
Corporate Debt Securities	1,133.50	10.13	1,152.55	9.75	19.06	1.68
Supra-National Bonds	7.82	0.07	7.57	0.06	(0.25)	- 3.14
Money Market Securities	1,213.12	10.84	1,079.73	9.13	(133.39)	- 11.00
Mutual Funds:	73.27	0.65	71.07	0.60	(2.20)	- 3.00
Open/Close-End Funds	59.88	0.54	60.55	0.51	0.68	1.13
REITs	13.39	0.12	10.52	0.09	(2.87)	- 21.46
Real Estate Properties	0.76	0.01		0.00	(0.76)	- 100.00
Private Equity Fund	31.84	0.28	37.72	0.32	5.88	18.46
Infrastructure Fund	100.33	0.90	101.62	0.86	1.29	1.29
Cash & Other Assets	72.71	0.65	80.44	0.68	7.73	10.63
Net Assets Value	11,187.96	100.00	11,822.53	100.00	634.57	5.67%

The RSA Fund II, which is the default RSA Fund under the Multi-Fund Structure, maintained the largest NAV with 60.19% of the RSA 'Active' Funds' NAV as at the end of the reporting period. Table 20 provides a breakdown of the shares of the NAV of RSA Active Funds.

Table 20: RSA Active Funds – as at 30 June 2023

RSA ACTIVE FUNDS AS At 31 March 2023		
FUND	₦'Million	Weight %
RSA FUND I	107,427.15	0.91
RSA FUND II	7,116,316.83	60.19
RSA FUND III	4,559,014.96	38.56
RSA FUND V	500.63	0.00
RSA FUND VI Active	39,269.67	0.33
TOTAL	11,822,529.23	100.00

3.2.1 Sources of Portfolio Growth/Diminution for RSA Active Funds

i. Contributions Received:

Monthly pension contributions totaling **₦494.21 billion** were received in Q2 2023 for RSA Funds I, II, III, V and VI Active. The amount was an increase of **₦18.31 billion** (3.85%) compared to the total contributions of **₦475.90** recorded in Q1:2023.

ii. Interest/Coupons and Dividends:

The interest/coupons received on investments in fixed income securities amounted to **₦327.69 billion** in Q2 2023. The amount indicated an increase of 11.75% compared to the sum of **₦293.24 billion** recorded in Q1 2023; the increase was attributed to higher allocation of pension assets to fixed income securities in Q2 2023. Furthermore, dividends of **₦42.79 billion** received in RSA Active funds represented a **₦27.42 billion** increase relative to dividends of **₦15.37 billion** received in Q1 2023.

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

Total unrealized gains on the RSA 'Active' Funds in Q2 2023 amounted to **₦203.24 billion** compared to unrealized gains of **₦78.49 billion** Q1 2023. The unrealized gains were significantly attributed to appreciation in the prices of equities during the period as the Pension Equity Index appreciated by 35.42%.

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

Total realized gains for the period increased by **₦8.87 billion** from **₦3.77 billion** in Q1 2023 to **₦12.64 billion** in Q2 2023.

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 Q2 2023 amounted to **N397.905 billion**, which was higher by **13.54%** from **N350.45 billion** outflows in Q1 2023.

A summary of the sources of portfolio growth/diminution in RSA Funds are highlighted in table 21 below:

Table 21: RSA Active Fund – Sources of Portfolio Growth between Q1 and Q2 2023

S/NO	SOURCES OF PORTFOLIO GROWTH/DIMINUTION			
	DESCRIPTION	Q1: 2023	Q2: 2023	VARIANCE
		N'Billion	N'Billion	N'Billion
1	New inflow of Funds:			
	Monthly Contributions/ Inter Fund Transfers	475.90	494.21	18.31
2	Investment Incomes:			
2.1	Interest/Coupons	293.24	327.69	34.45
2.2	Dividends/Rental Income	15.37	42.79	27.42
2.3	Net Realized Gains on Equity/Bonds	3.77	12.64	8.87
3	Net Unrealized Gains/(Losses) on Equities/Equity Funds/Bonds	78.43	203.24	124.81
4	Benefits Paid/Transfers to Retiree Fund	(350.45)	(397.90)	(47.44)
5	Asset Based Fees, Audit Fees (and VAT)	(45.70)	(48.10)	(2.39)
	Net Portfolio Growth	470.55	634.57	164.02

vi. Portfolio Performance of the RSA Active Fund

The average annualized rate of return for RSA Funds I, II, III, V and VI Active were 26.93%, 22.69%, 17.30%, 11.54% and 15.29% respectively, as presented in Table 23 below: The performances of the Funds reflected the allocation and security selection of the various securities under their management.

Table 22: RSA Funds – Average Rate of Return Q2 2023

FUND	AVERAGE RATE OF RETURN (ANNUALIZED)	
	Q1:2023	Q2:2023
RSA FUND I	15.97%	26.93%
RSA FUND II	13.40%	22.69%
RSA FUND III	12.67%	17.30%
RSA FUND V	16.73%	11.54%
RSA FUND VI ACTIVE	12.35%	15.29%

The relatively better performances of the RSA Funds for I, II & VI Active in Q2 2023 were due to appreciation in the prices of equities and Marked to Market (MTM) bonds during the period. Funds I and II recorded the highest unrealized gains due to higher exposure to Equities and MTM bonds.

3.3 RSA Retiree Fund IV and “Fund VI – Retiree

The NAV of RSA ‘Retiree’ Funds increased by **₦32.16 billion** from **₦1.24 trillion** as at 31 March, 2023 to **₦1.27 trillion** as at 30 June, 2023. The breakdown of the Net Assets Value of the RSA ‘Retiree Fund and the comparative variances for the period ended 31 March 2023 and 30 June 2023 are presented in Table 23 below:

Table 23: RSA Retiree Fund Assets March 2023 and June 2023

ASSET CLASS	Mar-23		Jun-23		Variance Mar'2023 / Jun' 2023	
	N'Billion	Weight %	N'Billion	Weight %	N'Billion	Weight %
Domestic Ordinary Shares	15.96	1.29	18.74	1.48	2.78	17.46
FGN Securities:	875.28	70.75	906.49	71.41	31.21	3.57
FGN Bonds	845.55	68.34	877.26	69.11	31.71	3.75
Treasury Bills	14.71	1.19	16.18	1.27	1.47	9.98
Agency Bond (NMRC &FMBN)	1.03	0.08	0.69	0.05	(0.35)	-33.67
Sukuk	13.82	1.12	12.21	0.96	(1.61)	-11.63
Green Bonds	0.16	0.01	0.16	0.01	(0.01)	-3.47
State Govt. Securities	14.38	1.16	23.51	1.85	9.12	63.44
Corporate Debt Securities	150.92	12.20	150.12	11.83	(0.80)	-0.53
Supra-National Bonds	0.95	0.08	0.92	0.07	(0.03)	-3.12
Money Market Securities	168.78	13.64	153.60	12.10	(15.18)	-8.99
Open/Closed End Funds	1.67	0.14	1.75	0.14	0.07	4.21
Infrastructure Fund	0.63	0.05	0.20	0.02	(0.43)	-68.04
Cash & Other Assets	8.63	0.70	14.05	1.11	5.41	62.69
Net Assets Value	1,237.20	100.00	1,269.37	100.00	32.16	2.60

3.3.1 Sources of Portfolio Growth/Diminution RSA Retiree Fund

i. Transfers from RSA Active Funds:

Transfers into the RSA Retiree Funds declined during the period as it decreased by **N22.65 billion** (20.66%) to **N87 billion** in Q2 2023 relative to **N109.66 billion** received in Q1 2023. The decrease in transfers to Retiree funds was due to low payout to retirees during the quarter.

ii. Income (Interests/Coupons):

The interest/coupons received on investments in fixed income instruments in Q2 2023 increased slightly by N0.70 billion (1.98%).

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

The Net Unrealized Gains on bonds and equities amounted to **N4.67 billion** for Q2 2023. This was due to net appreciation in the prices of securities in the Fund's portfolio. Additionally, the Fund realized gains amounting to **N0.47 billion** from the disposal of securities during the period.

iv. Retirement Benefits Paid:

Retirement Benefits paid in Q2 2023 decreased by 5.10% to **N93.57 billion** relative to **N98.60 billion** in Q1 2023. The noted decrease in benefit payments was due to lower lump-sum and annuity premium payment made during the quarter.

The major sources of net portfolio growth/diminution for the period are presented in Table 24 below:

Table 24: RSA Retiree Funds – Major Sources of Growth Q1 and Q2 2023

S/NO	SOURCES OF PORTFOLIO GROWTH/DIMINUTION	Q1: 2023 N'Billion	Q2: 2023 N'Billion	VARIANCE N'Billion
1	New inflow of Funds:			
	Transfers from RSA 'Active'	109.66	87.00	(22.65)
2	Investment Incomes:			
2.1	Interest/Coupons	35.43	36.13	0.70
2.2	Dividends	0.18	1.00	0.82
2.3	Net Realized Gains/(Losses) on Equities/Bonds	0.30	0.47	0.17
3	Net Unrealized Gains/(Losses) on Equities/Mutual Funds/Private Equity/Bonds	1.46	4.67	3.21
6	Retirement Benefits Paid	(98.60)	(93.57)	5.04
7	Income Based Fees (and VAT)	(3.06)	(3.54)	(0.48)
	Net Portfolio Growth	45.36	32.16	(13.20)

v. Portfolio Performance – RSA Retiree Fund IV

The average rate of return of 13.54% was recorded on the RSA Fund IV ('Retiree' Fund) in Q2 2023. This indicated an increase of 2.14% relative to the 11.40% rate of return in Q1 2023. However, the average rate of return on the RSA VI Retiree Fund decreased from 12.76% in Q1 2023 to 11.83% in Q2 2023.

3.4 Review of CPFA/AES Funds

3.4.1 CPFA Funds

The value of pension fund assets held by the CPFA Funds increased by 25.99% (**N416.49 billion**) to **N2.02 trillion** in Q2 2023. The comparative summary of the CPFA Funds for the period ended 31 March, 2023 and 30 June, 2023 are presented in Table 25 below:

Table 25: Summary of CPFA Pension Assets March 2023 and June 2023

ASSET CLASS	CPFA FUNDS				Variance	
	Mar-23		Jun-23		Mar 2023/ Jun 2023	
	₦'Billion	Weight %	₦'Billion	Weight %	₦'Billion	Weight %
Domestic Ordinary Shares	33.01	2.06	42.41	2.10	9.40	28.47
Foreign Ordinary Shares	114.83	7.16	192.25	9.52	77.42	67.42
FGN Securities:	826.02	51.54	971.71	48.12	145.69	17.64
FGN Bonds	765.82	47.78	869.97	43.08	104.15	13.60
Treasury Bills	5.88	0.37	8.24	0.41	2.36	40.18
Agency Bonds (NMRC)	0.61	0.04	0.62	0.03	0.00	0.41
Sukuk Bonds	-	0.00	0.62	0.03	0.62	-
Green Bonds	53.71	3.35	92.27	4.57	38.56	71.79
State Gov't. Securities	17.21	1.07	24.70	1.22	7.49	43.54
Corporate Debt Securities	261.47	16.31	433.03	21.44	171.56	65.62
Money Market Securities	143.11	8.93	112.91	5.59	(30.19)	-21.10
Foreign Money Market Securities	20.50	1.28	37.37	1.85	16.87	82.27
Mutual Funds:	22.41	1.40	29.20	1.45	6.79	30.28
Open/Close-End Funds	22.10	1.38	28.82	1.43	6.73	30.44
REITs	0.32	0.02	0.38	0.02	0.06	19.05
Real Estate Properties	119.51	7.46	118.66	5.88	(0.85)	-0.71
Private Equity Fund	11.88	0.74	19.38	0.96	7.50	63.18
Infrastructure Fund	17.05	1.06	19.71	0.98	2.66	15.60
Cash & Other Assets	15.83	0.99	17.99	0.89	2.17	13.69
Net Assets Value	1,602.81	100.00	2,019.31	100.00	416.49	25.99

The total funds injected by the various Scheme sponsors to bridge funding deficits for members in Q2 2023 amounted to **N5.95 billion**, representing a decrease of **N21.46 billion**, compared to **N27.41 billion** in Q1 2023.

Interest income increased by **N50.62 billion** to **N79.52 billion** in Q2 2023, compared to **N28.91 billion** in Q1 2023 due to a decline in yields on fixed income securities during the period.

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

Table 26: CPFA Funds Major Sources of Portfolio Growth/Diminution Q2 2023

S/N	SOURCES OF PORTFOLIO GROWTH	Q1: 2023	Q2: 2023	VARIANCE
		₦'Billion	₦'Billion	₦'Billion
1	New inflow of Funds:			
	Fund Injections by Scheme Sponsors/Contributions	27.41	5.95	(21.46)
2	Investment Incomes:	29.18	304.13	274.95
2.1	Interest/Coupons	28.91	79.52	50.62
2.2	Dividends/Rental Income	1.85	5.06	3.21
2.3	Net Realized Gains/(Losses)	(2.65)	219.55	222.20
3	Net Unrealized Gains/(Losses) on Equities/Mutual Funds/Bonds	(5.56)	131.37	136.93
4	Benefit Payments	(16.13)	(21.71)	(5.58)
5	Asset Based Fees, Audit Fees (and VAT)	(1.82)	(3.24)	(1.42)
	Net Portfolio Growth	33.08	416.49	383.42

The quarterly un-annualized rates of return recorded on the CPFA Funds ranged between 3.17% and 33.42%. The return was reflective of the actual asset allocation and stock selection of the respective funds under management as the CPFA funds recorded significant improvement in unrealized/realized gains.

3.4.2 Approved Existing Schemes

The NAV of the Approved Existing Schemes increased by **₦95.33 billion** (6.28%) from **₦1.52 trillion** as at 31 March 2023 to **₦1.61 trillion** as at 30 June, 2023.

The breakdown of the NAV of the Approved Existing Schemes Fund and the comparative variances for the period ended 31 March, 2023 and 30 June, 2023 respectively are presented in the table 27 below:

Table 27: Summary of AES Pension Assets Mar 2023 and June 2023

ASSET CLASS	AES FUNDS				Variance Mar'23/Jun'23	
	31-Mar-23		30-Jun-23			
	₦'Billion	Weight %	₦'Billion	Weight %	₦'Billion	Weight %
Domestic Ordinary Shares	103.02	6.79	123.00	7.63	19.97	19.39
FGN Securities:	909.66	59.97	941.22	58.38	31.56	3.47
FGN Bonds	872.18	57.50	896.66	55.62	24.48	2.81
Treasury Bills	27.37	1.80	33.90	2.10	6.53	23.84
Agency Bonds (NMRC)	0.06	0.00	1.32	0.08	1.25	1970.43
Sukuk	9.93	0.65	9.01	0.56	(0.92)	-9.31
Green Bond	0.11	0.01	0.33	0.02	0.22	206.86
State Govt. Securities	15.56	1.03	22.43	1.39	6.87	44.17
Corporate Debt Securities	144.70	9.54	150.41	9.33	5.71	3.95
Supra-National Bonds	1.15	0.08	1.11	0.07	(0.04)	-3.36
Money Market Securities	206.10	13.59	208.94	12.96	2.84	1.38
Mutual Funds:	15.24	1.00	15.20	0.94	(0.04)	-0.26
Open/Close-End Funds	3.42	0.23	3.23	0.20	(0.19)	-5.64
REITs	11.81	0.78	11.97	0.74	0.15	1.29
Real Estate Properties	98.03	6.46	97.88	6.07	(0.15)	-0.15
Private Equity Fund	0.36	0.02	0.33	0.02	(0.03)	-8.94
Infrastructure Fund	5.36	0.35	5.46	0.34	0.11	1.99
Cash & Other Assets	17.68	1.17	46.21	2.87	28.53	161.40
Net Assets Value	1,516.86	100.00	1,612.19	100.00	95.33	6.28

The major sources of net portfolio growth/diminution for the period are presented in Table 28 below:

Table 28: Summary of AES Pension Assets Mar 2023 and Jun 2023

SOURCES OF PORTFOLIO GROWTH	Q1: 2023	Q2: 2023	VARIANCE
	₦'Billion	₦'Billion	₦'Billion
New inflow of Funds:			
Fund Injections by Scheme Sponsors/Contributions	16.95	25.51	8.56
Investment Incomes:			-
Interest/Coupons	39.50	42.57	3.07
Dividends/Rental Income	1.28	5.85	4.56
Other Income	0.32	-	(0.32)
Net Realized Gains/(Losses) on Equity/Bonds	(0.19)	1.97	2.17
Net Unrealized Gains/(Losses) on Equities/Bonds	4.28	37.50	33.21
Benefit Payments	(19.00)	(15.38)	3.61
Asset Based Fees, Audit Fees (and VAT)	(2.46)	(2.68)	(0.22)
Net Portfolio Growth	40.68	95.33	54.65

The net increase in the total portfolio value was mainly attributed to interest/Coupons income amounting to ₦42.57 billion and Net Unrealized Gains

on Equity/Bonds worth **N37.50** billion during the period. Furthermore, the annualized rate of return on the consolidated AES Funds in Q2 2023 was 25.41%. The marked improvement was attributed to improvement in the prices of equities and fair valued bonds in the PFAs portfolio during the period.

3.5 Retirement/Terminal Benefits

3.5.1 Retirement by Programmed Withdrawal

The PFAs submitted **4,873** requests for retirees to draw pension through Programmed Withdrawal mode during the quarter under review. The Commission approved **4,867** requests, while six (**6**) were rejected due to wrong computations of lump sum or monthly pensions. Out of the **4,867** retirees whose benefits were approved, **2,203** were from the private sector, while **2,664** were from the public sector.

A lump sum of **N22,575.94** million was approved for the **4,867** retirees, while their monthly pension was **N323.81** million, as shown in Table 29 below:

Table 29: Retirement by Programmed withdrawal in Q2 2023

Period	Request Submitted	Request Approved	Request Rejected	Sectorial Approvals			Lump sum (N) Million	Monthly PW (N) Million
				FGN	State	Private		
Inception - Mar 2023	330,201	326,246	3953	160,467	34,325	131,456	941,663.53	14,657.08
April-June 2023	4,873	4,867	6	1,364	1,300	2,203	22,575.94	323.81
Total	335,074	331,115	3,959	161,831	35,625	133,659	964,239.47	14,980.89

3.5.2 Retirement by Retiree Life Annuity

The PFAs submitted **3,170** requests from retirees to receive pension through Retiree Life Annuity (RLA) mode during the quarter under review. Out of that, **3,156** requests were approved, while fourteen (**14**) were rejected due to incorrect computations. Out of the **3,156** retirees whose benefits were approved, **1,172** were from the private sector, while the remaining **1,984** were from the public sector as shown in Table 30 below:

A lump sum of **N10,634.84** million was approved for the **3,156** retirees, while **N22,811.46** million was paid to RLA providers for their monthly annuity payment of **N252.90** million.

Table 30: Retirement by Annuity in Q2 2023

Period	Request submitted	Request Approved	Request rejected	Sectorial Approvals			Lump sum (N) Million	Premium (N) Million
				FGN	State	Private		
Inception – March 2023	112,195	108,552	3,643	59,642	14,017	34,893	216,660.64	652,323.25
April-June 2023	3,170	3,156	14	1,122	862	1,172	10,634.84	22,811.46
Total	115,365	111,708	3,657	60,764	14,879	36,065	227,295.48	665,134.71

3.5.3 Approval of Death Benefits

A total of **2,049** beneficiaries requested the death benefits of deceased employees/retirees. Out of that, **2,042** requests were approved, while seven (7) were rejected due to incorrect documentations. Out of the **2,042** death benefit requests approved, **653** were from the private sector, while the remaining **1,389** were from the public sector. A total of **₦12,204.99 million** was approved for the **2,042** beneficiaries, as shown in Table 31 below.

Table 31: Approval of Death Benefits in Q2 2023

Period	Request submitted	Request approved	Request rejected	Sectorial Approvals			Amounts (₦) Million
				FGN	State	Private	
Inception – March 2023	90,703	89,172	1,531	58,136	8,779	22,257	344,113.38
April-June 2023	2,049	2,042	7	922	467	653	12,204.99
Total	92,752	91,214	1,538	59,058	9,246	22,910	356,318.37

3.5.4 Enbloc Payment of Retirement Benefits

The Commission received **3,570** requests from retirees for enbloc payments during the quarter under review. Out of that, **3,555** retirees' requests were approved as their RSA balances could not provide a monthly pension of at least one-third of the prevailing minimum wage (**₦30,000.00**), while fifteen (15) were rejected because of incorrect Annual Total Emolument (ATE). Out of the **3,555** retirees whose benefits were approved, **3,416** were from the private sector, while the remaining **139** were from the public sector. The sum of **₦2,050.59 million** was approved for the **3,555** retirees, as shown in Table 32 below.

Table 32: Enbloc Payment of Retirement Benefits in Q2

Period	Request submitted	Request approved	Request rejected	Sectorial Approvals			Amounts (₦) Million
				FGN	State	Private	
Inception - March 2023	152,856	149,372	3,484	7,584	4,203	137,585	41,254.08
April-June 2023	3,570	3,555	15	97	42	3,416	2,050.59
Total	156,426	152,927	3,499	7,681	4,245	141,001	43,305

3.5.5 Withdrawal or 25 Percent from RSA Balances

A total of **8,453** RSA holders requested to access 25% of their RSA balances due to temporary loss of employment. Out of that, **8,423** RSA holders' requests were approved, while thirty (30) were rejected because their ages were above 50 years. Out of the **8,423** applicants whose benefits were approved, **8,067** were from the private sector, while the remaining **290** were from the public sector, as shown in Table 33 below:

Table 33: Withdrawal of 25% from RSA Balance in Q2 2023

Period	Request submitted	Request approved	Request rejected	Sectorial Approvals			Amount (N) Million
				FGN	State	Private	
Inception – March 2023	483,757	466,812	16,945	13,411	8,455	444,946	201,224.42
April-June 2023	8,453	8,423	30	160	130	8,067	7,631.28
Total	492,210	475,235	16,975	13,571	8,585	453,013	208,855.7

3.5.7 Pre- Act/NSITF Contributions Approved for Payment

A total of **52** retirees requested payment of Pre-Act/NSITF benefits. All **52** RSA holders' requests were approved. The **52** retirees whose benefits were approved were all from the private sector.

The sum of **₦167.02** million was approved for the **52** retirees, as shown in Table 34.

Table 34: Pre-Act/NSITF Contributions

Period	Request submitted	Request approved	Request rejected	Sectorial Approvals			Net Amount Payable (N) Million
				FGN	State	Private	
Inception – March 2023	14,456	11,878	26,226	184	31	11,663	11,475.42
April-June 2023	52	52	0	0	1	51	167.02
Total	14,508	11,930	26,226	184	32	11,714	11,642.44

3.5.8 Equity Contribution for Residential Mortgage Requests Approved

One hundred and fifty (**150**) RSA holders requested to access up to 25% of their RSA balances towards payment of equity contributions for residential mortgage during the quarter under review. Approvals were granted to **90** requests amounting to **₦986.88** million, while **60** were rejected due to incorrect documentations.

Table 35: Requests for Equity Contributions for Residential Mortgage

Period	Request submitted	Request approved	Request rejected	Sectorial Approvals			Net Amount Payable (N) Million
				FGN	State	Private	
Inception – March 2023	0	0	0	0	0	0	0
April-June 2023	150	90	60	54	2	34	986.88
Total	150	90	60	54	2	34	986.88

3.5.9 Voluntary Contributions

A total of **907** RSA holders requested to access their voluntary contributions during the quarter under review. Approvals were granted to **890** contributors to access **₦1,917.09** million, while **17** were rejected due to incorrect computations. The **862** RSA holders whose benefits were approved were from the private sector, while **28** were from the public sector, as shown in Table 36 below:

Table 36: Accessing Voluntary Contribution in Q2 2023

Period	Request submitted	Request approved	Request rejected	Sectorial Approvals			Net Amount Payable (₦) Million
				FGN	State	Private	
Inception – March 2023	48,258	48,074	184	3,046	49	44,979	36,839.03
April-June 2023	907	890	17	28	0	862	1,917.09
Total	49,165	48,964	201	3,074	49	45,841	38,756.12

3.6 Financial Market Outlook for Q2 2023

The global economy in 2023 has continued to manage the residual effects of the COVID-19 pandemic, the distortionary effect of the protracted Russia-Ukraine War and restrictive policy actions of Central Banks aimed at moderating inflation in many countries.

The second quarter of 2023 witnessed improved market performance as policy pronouncements and initial government actions signalled an inclination towards market led policy directions. Q2 2023 witnessed the total removal of subsidies on petrol, which constituted significant portion of government's recurrent expenditure, and the unification of the different exchange windows, that caused the sharp depreciation of the domestic currency value. Inflationary pressure persisted during the quarter with inflation rate around 22% causing the Central Bank of Nigeria to maintain its contractionary monetary policy stance. The CBN slightly raised the Monetary Policy Rate from 18% in Q1 2023 to 18.50% in Q2 2023.

However, the capital market exhibited resilience as the equity market recorded a general appreciation in the prices of stocks with the Nigeria All Share Index further appreciating by 12.42% during the period compared with an appreciation of 5.82% in Q1 2023. Furthermore, bond prices have maintained an upward slope due to declining yields, which resulted in the average yield on 10-year government bonds increasing slightly from 14.30% in March 2023 to 12.87% in June 2023.

Nigeria's economic growth remained subdued due to overhang of weak macroeconomic fundamentals including challenges associated with government's fiscal position, decline in foreign exchange reserves, as well as

inflationary and exchange pressures. The economic outlook for succeeding quarters of 2023 appears optimistic as the benefits of ongoing policy changes begin to take effect.

Pension funds are expected to continue to grow as the current higher yields on investment in fixed income securities would raise nominal returns. The equity market also provides opportunities for PFAs to take strategic position in sound, but undervalued stocks for long term benefit.