

National Pension Commission

THIRD QUARTER 2024 REPORT



30 SEPT, 2024



National Pension Commission

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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

September 30, 2024

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SECTION ONE

1.0 Operating Environment

1.1 Macroeconomic Development

In Q3 2024, the Nigerian economy remained on a subdued growth trajectory, grappling with persistent structural challenges. Headline inflation, though moderating slightly to **32.7%** in September from **34.19%** in June, remained elevated, reflecting sustained price pressures. In response, the Central Bank of Nigeria (CBN) raised the Monetary Policy Rate (MPR) from **26.75%** in Q2 to **27.25%** in Q3, aiming to enhance foreign portfolio investment inflows and stabilize the foreign exchange market. Meanwhile, the continued depreciation of the Naira exacerbated energy costs, driving up transportation expenses. These inflationary pressures were further intensified by regional instability, which continued to weigh on the broader economic environment.

However, participation in the Pension Industry has continued its upward trajectory despite the noted economic headwinds. Retirement Savings Account (RSA) registrations increased from **100,063** in Q2: 2024 to **118,339** in Q3: 2024. Accordingly, pension funds and assets witnessed a **4.37%** growth from **₦20.48 trillion** as at Q2:2024 to **₦21.38 trillion** as at Q3:2024 despite the decrease in remittance of pension contributions during the quarter from **₦377.83 billion** in Q2:2024 to **₦335.15 billion** in Q3:2024. The Commission has increased the number of recovery agents as one of its strategies to mitigate non-remittance of pension contributions by employers.

1.2 Developments in the Capital Market

1.2.1 The Stock Market

In Q3 2024, activity on the Nigerian Bourse showed a slight decline in the All Share Index (NSE-ASI) but an increase in Market Capitalization. As at September 30, 2024, the NSE-ASI closed at **98,558.79 points**, reflecting a **1.50%** drop from Q2 2024, when it stood at **100,057.49 points**. Meanwhile, Market Capitalization rose to **₦56.64 trillion**, indicating a **0.07%** increase from **₦56.603 trillion** in Q2 2024. This growth was primarily driven by additional capital raised by banks in response to the Central Bank of Nigeria's directive to increase shareholders' equity.

1.2.2 The Bond Market

As of September 30, 2024, the S&P/FMDQ Sovereign Bond Index, which tracks the performance of sovereign debt issued by the Federal Government of Nigeria, rose by **7.92%**, as the index increased from **N631.57 bps** as at June 30, 2024, to **N681.62 bps** in Q3, 2024. This reflected the increase in yields in new issuances during the quarter that averagely increase the yield to maturity of bond portfolios.

SECTION TWO

2.0 Regulatory and Supervisory Activities

2.1 Surveillance of the Pension Industry

2.1.1 On-Site Examination of Licensed Pension Fund Operators(PFOs)

The Commission conducted on-site examination of thirteen (13) PFOs comprising 2 Pension Fund Custodian (PFCs), 10 Pension Fund Administrators (PFAs) and 1 Closed Pension Fund Administrator (CPFA). The on-site examination was conducted in line with extant provisions of Section 92 (1) of the PRA 2014 which mandates the Commission to conduct periodic assessment of the PFOs to determine their level of adherence to established laws, guidelines, and regulations governing pension fund administration and management. The PFOs examined within the period under review are as follows:

- ❖ Nestle Nigeria Trust CPFA Limited
- ❖ UBA Pension Custodian Limited
- ❖ First Pension Custodian Limited
- ❖ Veritas Glanvils Pensions Limited
- ❖ Oak Pensions Limited
- ❖ GT Pension Managers Limited
- ❖ Tangerine APT Pensions Limited
- ❖ Stanbic IBTC Pension Managers Limited
- ❖ Radix Pension Managers Limited
- ❖ Crusadersterling Pensions Limited
- ❖ Access Pensions Limited
- ❖ NPF Pensions Limited
- ❖ Pension Alliance Limited

2.1.2 Appointment of New Executives by Pension Fund Operators

During the quarter under review, the Commission reviewed and approved the appointment of 6 qualified persons into Executive positions in 4 different PFOs, as shown in Table 1 below

Table 1: New Executive Appointments in PFOs

S/N	Name of Nominee	Operator	Position
1	Muhammad M. Dutse	NPF Pensions Limited	ED
2	Isioma Olowu	Zenith Pensions Custodian Ltd	ED
3	Bolaji Agbede	Access Pension Limited	NED
4	Gbenga Oyebode	Access Pension Limited	NED
5	Oritsedre Samuel Otubu	Access Pension Limited	NED
6	Safiya Zailani Ibrahim	Premium Pension Limited	CSLA

*** ED- Executive Director.

NED – Non-Executive Director.

CSLA –Company Secretary &Legal Adviser

2.1.3 Regulatory Activities

Pension Industry Consultative Forum

The Third Quarter 2024 Pension Industry Consultative Forum was held in Abuja on Thursday, 22 August 2024. Highlights of discussions at the Forum were centered around the following:

- ❖ The ongoing Tokenization Policy initiated by the National Identity Management Commission (NIMC);
- ❖ Development of a PIN Validation interface;
- ❖ Amendment of the Regulation on Investment of Pension Fund Assets and Revised Framework for Pension Industry Non-Interest Advisory Committee (PINAC);
- ❖ Strategies to improve uptake of the Micro Pension Plan by informal sector workers;
- ❖ Development of a new Pension Industry Strategy;
- ❖ Implementation of the Pension Academy initiative,
- ❖ Issues relating to compliance and implementation of the CPS at the State level
- ❖ Update on the salary for life for Professors, and;
- ❖ PFAs engagement with e-payment service providers.

Regulatory Approvals Granted to Pension Fund Operators

During the quarter under review, the Commission granted Approval for the merger of ARM Pension Managers (PFA) Limited and Access Pensions Limited to form a new entity - Access ARM Pensions Limited. In a similar vein, Approval-in-Principle (AIP) was granted to Citizens Pensions Limited to operate as a Pension Fund Administrator, subject to terms and conditions.

The Commission also approved the requests of three PFAs namely; Stanbic IBTC Pension Manager Limited, Premium Pension Limited and Crusader Sterling Pensions Limited for the payment of interim dividends to their respective shareholders.

2.2 Update on Compliance by the Private Sector

2.2.1 Issuance of Pension Clearance Certificates (PCCs)

During the review period, the Commission processed and issued **5,424** Pension Clearance Certificates (PCCs) to private sector organizations that met the eligibility criteria. A total of **₦24.09 billion** was remitted into the Retirement Savings Accounts (RSAs) of 69,552 employees from these refunds. This represents a substantial decline of **81%** in the number of PCCs issued compared to **13,047** in Q2 2024. The decrease in applications may be attributed to the fact that most employers had already secured their PCCs for the year.

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

During the Q3 2024, the sum of **₦272.52 million** comprising principal contributions (**₦106.87 million**) and penalties (**₦165.63 million**) was recovered from twenty-three (23) defaulting employers. The Commission had also taken steps to institute legal action against four (4) defaulting employers. It is pertinent to note that since the commencement of the recovery exercise in June 2012 to September 2024, the Commission had recovered a total of **₦28.24 billion** comprising principal contributions of **₦13.91 billion** and **₦14.33 billion** in penalties from defaulting employers.

In an effort to enhance the recovery of unremitted pension contributions and penalties from defaulting employers, the Commission, during the quarter under review, increased the number of Recovery Agents (RAs) from 25 to 41 and organized a workshop to train the 16 newly appointed agents.

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

The military and other security agencies such as the DSS and Central Intelligence agency were exempted from the Contributory Pension Scheme (CPS) in 2011 and implemented in 2012 due to their job peculiarities.

Table 2 below highlights the refund of pension contributions deducted from the salaries of the personnel of the agencies before the exemption from the CPS.

Table 2: Refund of Pension Contributions to Personnel of the Military and other security agencies

Category	Number of Requests
Total Requests Received	31
Processed in the Review Period	5
Processed and Paid in Earlier Batches	17
Not Processed Due to Incomplete Info	2
To Be Processed in the Next Quarter	7

In Q3 2024, a total of **₦481,048.00** was refunded to the affected personnel. This refund was due to the exemption of the Military and other Security Service Agencies from the Contributory Pension Scheme, given the nature of their roles.

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

Transfer of NSITF Funds

The Commission received thirteen (13) batches of NSITF transfer applications from Trustfund Pensions Limited (Trustfund) on behalf of eighty-six (86) NSITF members requesting for the transfer of a sum of **₦4.54 million** into their respective RSAs. The requests were reviewed and approvals granted for the transfer of **₦4.09 million** into the RSAs of the 86 members with various Pension Fund Administrators, having met all the necessary requirements for the transfer of NSITF contributions.

Payment of NSITF Benefits

Three (3) batches of applications for NSITF benefit payments were received for the payment of **₦392,244.91** to thirteen (13) NSITF contributors. All the applications were processed and paid. The Commission also granted approval to Trustfund for payment of monthly pension for the sum of **₦33.28 million** to **1,837** NSITF pensioners during the quarter. Thus, from 2006 to date, the total pension payments made to NSITF pensioners amounted to **₦5.60 billion**.

2.3 Compliance by State Governments

2.3.1 Status of Implementation of the Contributory Pension Scheme (CPS) and other Schemes by State Governments

There was no significant change 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) and Six (6) States are at the Bill stage. Six (6) States have adopted the Contributory Defined Benefit Scheme (CDBS). Two (2) out of the six (6), i.e. Jigawa and Kano are currently implementing the Scheme (Kano was yet to transfer pension assets for custody), while the four others (4), Gombe, Katsina, Zamfara and Adamawa were yet to commence implementation of the CDBS.

The Status of implementation of the CPS and other pension arrangements by the States and FCT are highlighted in the table 3 below:

Table 3: Status of Implementation of Pension Reforms in States and FCT in Q3:2024

STATUS OF IMPLEMENTATION ON PENSION ARRANGEMENTS IN STATES AND THE FCT AS AT 30 SEPTEMBER, 2024						
S/N	Milestones	No. of States	States			
1	States/FCT fully Implementing CPS/CDBS	8	Lagos	Kaduna	Ondo	
			FCT	Ekiti	Jigawa (CDBS)	
			Osun	Edo		
2	States Substantially Implementing the CPS	1	Delta			
3	States partially implementing the CPS/CDBS	5	Anambra	Kebbi	Rivers	
			Benue	Kano (CDBS)		
4	States that extended their Transitional Period	2	Niger			
			Ogun			
5	States not yet implementing the CPS	11	Bayelsa	Taraba	Ebonyi	Oyo
			Kogi	Imo	Nasarawa	Bauchi
			Abia	Sokoto	Enugu	
6	States not yet implementing the CDBS	4	Adamawa	Katsina		
			Zamfara	Gombe		
7	States at Bill Stage	6	Plateau	Cross Rivers	Kwara	
			Borno	Yobe	Akwa Ibom	

2.3.2 Update on Implementation of Contributory Pension Scheme in States

Kaduna State

Kaduna State Government repealed the Kaduna State Pension Reform Law, 2016 and enacted Kaduna State Social Security Law, 2023. The Law merged three Schemes; Health Insurance Scheme, Social Assistance Scheme and the Contributory Pension Scheme. The State further drafted a bill to amend Section 70 of the Law to introduce new subsection (4) and (5) as follows:

“(4) A retiree may wish to have access to the amount in his Retirement Savings Account irrespective of whether accrued rights are paid by the State or not.”

“(5) Where accrued rights are paid to a retiree by the State Government, arrears shall be paid on pro-rata basis from the date of retirement to the date the retiree received the accrued rights once the retiree is fifty years and above.”

The Commission is working with the Kaduna State Government to address issues of regulatory concerns in the State Pension Law.

2.3.3 Engagements with Stakeholders

Consultative Forum for States and the FCT

As part of the Commission's strategy to ensure States' compliance with the provisions of the PRA 2014, the 2024 Third Quarter Consultative Forum for States and the FCT was held on the 18 and 19 September, 2024 at NECA House, plot A2 Hakeem Balogun Street, Central Business District, Alausa, Ikeja, Lagos State. The Forum was attended by the Heads of States' Pension Bureaux/Boards/Commissions, the chief Compliance Officers of the Licensed Pension Operators (LPOs) and Heads of Service/Permanent Secretaries of States implementing the CPS and CDBS but without a functional administrative structure.

The Forum amongst others, discussed the progress made so far by the States/FCT in implementing the CPS/CDBS and the challenges faced in the implementation journey as well as resolutions to address the challenges.

Other Engagements

- i. The Head, North West Zonal Office (NWZO) paid a courtesy call on the Comptroller, Nigeria Immigration Service, Jigawa State Command on 19 September, 2024 in a bid to enlighten the stakeholders on the implementation of the Contributory Pension Scheme (CPS).
- ii. The Head of the NWZO, on behalf of the Ag. Director General of the Commission delivered an opening address at the training organized for PFAs on Online Enrolment Exercise at Digital Bridge Institute, Kano, on 25 September, 2024.
- iii. The South-West Zonal Office (SWZO) conducted a capacity building session for Executives of the Ondo State Pension Commission at the Conference Room of the SWZO. The training was in line with the Strategic Objectives of the Commission for inclusive and expanded coverage of the CPS through the drive for pension awareness and literacy nationwide.
- iv. The SWZO represented the Commission at the following meetings:
 - The Court Ordered Meeting of ARM Pension Managers Limited and Radix Pension Managers Limited.
 - The Retiree Forum for Premium Pension Limited held at Lagos
 - The Stanbic IBTC Pension Managers Limited Pre-Retiree Seminar.

2.3.4 Complaints/Enquiries

The Zonal Offices received a total of **547** complaints and enquiries on issues relating to multiple registrations and underpayment/non-payment of retirement benefits. Out of the **547** complaints, **418** complaints/enquiries were resolved at the respective Zonal Offices while the remaining **129** were escalated to the relevant Departments at the Commission's Head Office and are at various stages of resolution.

2.4 Update on RSA Registrations

2.4.1 RSA Membership Count by PFA

A total of **118,339** new RSAs were registered and associated PINs issued to employees in different sectors by the nineteen (19) licensed Pension Fund Administrators (PFA) in the quarter ended 30 September 2024. Analysis of the RSA registrations across PFAs revealed that Stanbic IBTC Pension Managers Limited had the largest market share of **26.50%** of new registrations with **31,359** contributors registered, followed by Access Pensions Limited, which had **19.15%** with **22,659** new contributors registered. NPF Pension Fund Managers Limited, ARM Pension Managers Ltd and FCMB Pensions Ltd followed with **9.07%**, **5.71%**, **5.60%** of the new registrations during the quarter respectively. Consequently, the top five (5) PFAs collectively held **66.03%** while the bottom five (5) PFAs recorded an aggregate of **3.98%** of the **118,339** new RSAs registered in Q3:2024.

Table 4 below, provides details of the RSA registration count by PFAs from inception to the end of the quarter under review.

Table 4: RSA Registration by PFA for Q3:2024

SN	PFA	Inception to 30 June 2024	No. of Contributors Registered in Q3, 2024	%	Total RSAs Registered from Inception to 30 September 2024
1	Stanbic IBTC Pension Managers Ltd	2,126,509	31,359	26.50%	2,157,868
2	Access Pensions Limited	1,145,679	22,659	19.15%	1,168,338
3	NPF Pension Fund Managers Limited	324,073	10,734	9.07%	334,807
4	ARM Pension Managers Limited	933,963	6,753	5.71%	940,716
5	FCMB Pensions Limited	758,923	6,616	5.60%	765,539
6	Premium Pension Limited	807,468	6,421	5.43%	813,889
7	Leadway Pensure PFA Limited	727,004	6,155	5.20%	733,159
8	Crusader Sterling Pensions Limited	392,250	5,104	4.31%	397,354
9	Trustfund Pensions Limited	819,875	4,884	4.13%	824,759
10	Pension Alliance Limited	617,091	3,588	3.03%	620,679
11	Oak Pensions Limited	243,679	3,434	2.90%	247,113
12	Fidelity Pension Managers Limited	335,431	2,348	1.98%	337,779
13	Guaranty Trust Pension Managers Ltd	98,206	2,125	1.80%	100,331
14	Tangerine Apt Pensions Limited	275,074	1,495	1.26%	276,569
15	Norrenberger Pensions Limited	167,614	1,249	1.10%	168,863
16	NLPC Pension Fund Administrators Ltd	363,490	1,066	0.90%	364,556
17	Veritas Glansvills Pensions Limited	164,524	1,056	0.89%	165,580
18	Radix Pension Managers Limited	50,968	795	0.67%	51,763
19	Nigerian University Pension Mgt Co	29,198	498	0.42%	29,696
Total		10,381,019	118,339	100	10,499,358

2.4.2 Gender and Age Distribution

Analysis of the new registrations in Q3: 2024 by age and gender indicated that out of the **118,339** registrations, **83.72%** were active contributors below the age of 40 years. Out of this number, **14,200** or **12%** of the new registrations were between the age of 40-49 years. This points to the increasing sustainability of the CPS, as the younger generation are actively being enlisted into the scheme.

On the gender distribution, **72,906** or about **61.61%** of those that registered during the quarter were males while the female counterparts recorded **45,433** or **38.39%**, thus sustaining dominance over the female gender in terms of registration into the scheme. Table 5 below, provides details on the age and gender distribution of the registrations that took place during Q3:2024.

Table 5: Gender Distribution of RSA Registrations Q3: 2024

Age	Female	Male	Total	Percentage
Less than 30 years	27,159	37,070	64,229	54.28
30 - 39 years	12,230	22,611	34,841	29.44
40 - 49 years	4,644	9,556	14,200	12
50 - 59 years	1,159	2,929	4,088	3.45
60 - 65 years	191	548	739	0.62
Above 65 years	50	192	242	0.2
Total	45,433	72,906	118,339	100

2.5 Update on the Micro Pension Plan

2.5.1 Micro Pension Registration and Contribution

A total number of **20,466** Micro Pension Contributors (MPC) were registered during the period under review by seventeen (**17**) Pension Fund Administrators bringing the total number registered MPCs from inception to **164,031** as at 30 September, 2024. Details of the registered MPCs by PFA is shown in Table 6 below:

Table 6: RSA Registrations for MPP Q3:2024

S/N	PFA Name	RSA Count as at Q2:2024	RSAs Registered in Q3:2024		Global Total RSAs as at 30 September 2024	% of Global Total
			Total No of RSAs	% of RSAs Registered		
1	Access Pensions Limited	33,620	14,838	72.50	48,458	29.54
2	ARM Pension Managers (PFA) Limited	24,656	193	0.94	24,849	15.15
3	Crusader Sterling Pensions Ltd	1,871	43	0.21	1,914	1.17
4	FCMB Pensions Limited	5,534	1,238	6.05	6,772	4.13
5	Fidelity Pension Managers Limited	7,165	57	0.28	7,222	4.40
6	Guaranty Trust Company	3,281	23	0.11	3,304	2.01
7	Leadway Pensure PFA Limited	1,313	9	0.04	1,322	0.81
8	NLPC Pension Fund Administrators Limited	2,280	19	0.09	2,299	1.40
9	Norrenberger Pensions	1,151	1	0.00	1,152	0.70
10	Oak Pensions Limited	1,098	58	0.28	1,156	0.70
11	Pensions Alliance Limited	7,217	19	0.09	7,236	4.41
12	Premium Pensions Limited	6,881	29	0.14	6,910	4.21
13	Radix Pension Managers Limited	279	1	0.00	280	0.17
14	Stanbic IBTC Pension Managers Limited	29,716	3,157	15.43	32,873	20.04
15	Tangerine APT Pensions Limited	8,344	235	1.15	8,579	5.23
16	Trustfund Pensions PLC	5,099	512	2.50	5,611	3.42
17	Veritas Glanvills Pensions Limited	4,060	34	0.17	4,094	2.50
	Grand Total	143,565	20,466	100.00	164,031	100.00

The table above reveals that in Q3:2024, Access Pensions Limited, accounted for **72.50%** of the new Micro Pension Plan (MPP) registration with a total of **14,838** out of the **20,466** registered participants while Stanbic IBTC Pension Managers Limited followed with **3,157** accounting for **15.43%** of the total registrations in the Quarter.

The total registration from inception to date shows that Access Pensions Limited, Stanbic IBTC Pension Managers (PFA) Limited and ARM Pension Managers Limited registered the largest number of Micro Pension Contributors (MPCs) with **48,458 (29.54%)**, **39,873 (20.04%)** and **24,849 (15.15 %)** respectively, as at 30 September 2024.

2.5.2 Pension Contributions Received from Micro Pension Contributors for Q3:2024

The total Pension Contributions received from MPCs in Q3:2024 was **₦106,827,787.51**. This brought the total Pension Contributions made by the MPCs to **₦967,194,762.23** as at 30 September 2024 as detailed in Table 7 below:

Table 7: Contributions Received for Micro Pension Plan (MPP) in Q3:2024

S/N	PFA Name	Total Contributions as at Q2:2024 (N)	MPP Contributions in Q3:2024		Total Contributions as at Q3:2024 (N)	% Increase During Q3:2024
			Total Amount (N)	Weight (%)		
1	Access Pensions Limited	7,065,978.85	1,262,490.00	1.18	8,328,468.85	0.86
2	ARM Pension Managers (PFA) Limited	158,422,879.86	24,892,550.66	23.30	183,315,430.52	18.95
3	Crusader Sterling Pensions Ltd	4,154,557.75	809,414.30	0.76	4,963,972.05	0.51
4	FCMB Pensions Limited	18,438,772.64	3,018,930.00	2.83	21,457,702.64	2.22
5	Fidelity Pension Managers Limited	53,808,153.40	2,540,618.67	2.38	56,348,772.07	5.83
6	Guaranty Trust Company	6,612,767.21	1,335,570.00	1.25	7,948,337.21	0.82
7	LeadwayPensure PFA Limited	11,197,484.65	5,842,450.00	5.47	17,039,934.65	1.76
8	NLPC Pension Fund Administrators Limited	4,435,059.14	597,600.00	0.56	5,032,659.14	0.52
9	Norrenberger Pensions	8,420,786.32	15,000.00	0.01	8,435,786.32	0.87
10	Oak Pensions Limited	8,004,280.36	1,524,350.00	1.43	9,528,630.36	0.99
11	Pensions Alliance Limited	25,106,908.54	572,700.00	0.54	25,679,608.54	2.66
12	Premium Pensions Limited	49,182,004.14	2,281,800.00	2.14	51,463,804.14	5.32
13	Radix Pension Managers Limited	812,391.77	0.00	0.00	812,391.77	0.08
14	Stanbic IBTC Pension Managers Limited	427,084,310.67	54,293,487.33	50.82	481,377,798.00	49.77
15	Tangerine APT Pensions	22,398,879.01	3,402,397.55	3.18	25,801,276.56	2.67
16	Trustfund Pensions PLC	17,592,252.91	1,363,159.00	1.28	18,955,411.91	1.96
17	Veritas Glanvills Pensions LTD	37,629,507.50	3,075,270.00	2.88	40,704,777.50	4.21
Grand Total		860,366,974.72	106,827,787.51	100	967,194,762.23	100

A breakdown of pension contributions received in Q3:2024 showed that Stanbic IBTC Pension Managers Limited and ARM Pension Managers (PFA) Limited had the highest MPP contributions received with **₦54,293,487.33 (50.82%)** and **₦24,892,550.66 (23.30%)** respectively.

Out of the total pension contributions received from inception, Stanbic IBTC Pension Managers Limited and ARM Pension Managers (PFA) Limited accounted for the largest amount with **₦481,377,798.00** and **₦183,315,430.52** representing **49.77%** and **18.95%** respectively as at 30 September, 2024.

2.5.3 Contingent Withdrawals for Q3 2024

Three (3) PFAs processed and approved MPP Contingent withdrawals for three (3) MPCs amounting to **₦35,541.18** in Q3:2024 as shown in Table 8 below:

Table 8: Contingent withdrawals from MPP Q3:2024

SN	PFA	No. of RSAs	Amount (₦)
1	ARM Pension Managers Limited	1	4,424.88
2	Fidelity Pension Managers Limited	1	4,390.00
3	Guaranty Trust Company	1	26,726.30
	TOTAL	3	35,541.18

This brings the cumulative contingent withdrawals from inception to **₦48,746,072.85** by **212** Micro Pension Contributors (MPCs) as at Q3:2024.

2.5.4 Conversion to Mandatory Contributory Pension Scheme (CPS)

In Q3 2024, a total of 33 Micro Pension Contributors (MPCs) from five Pension Fund Administrators (PFAs) transitioned from the Micro Pension Plan (MPP) to the Mandatory Contributory Pension Scheme (CPS), contributing **₦708,996.24**, as detailed in Table 9. This conversion brings the cumulative total to 999 MPCs, with an aggregate contribution of **₦119,784,647.31** as of 30 September 2024.

Table 9: Conversion from MPP to Mandatory CPS Q3:2024

S/N	PFA	No. of RSAs	Amount (₦)
1	ARM Pension Managers (PFA) Limited	16	433,719.21
2	FCMB Pensions Limited	5	36,648.47
3	Pension Alliance Limited	3	0
4	Stanbic IBTC Pension Managers Limited	4	9,922.54
5	Trustfund Pensions PLC	5	228,706.02
	Total	33	708,996.24

SECTION THREE

3.0 Pension Industry Statistics

3.1 Pension Contributions

The total pension contributions remitted to individual RSAs in Q3:2024 stood at **₦335.15 billion**. Out of this total, the public sector accounted for **₦160.48 billion** or **47.88%**, while the private sector contributed **₦174.67 billion** or **52.11%**. The cumulative pension contributions from inception to the end of the third quarter of 2024 amounted to **₦10,967.18 trillion**. Details of the pension contributions remitted into the RSAs are shown below:

Table 10: Total Contribution from Inception to date

Total Contribution for Inception to date						
Year/Quarter	Public Sector		Private Sector		Total	
	Amount (₦ billion)	% of Total	Amount (₦ billion)	% of Total	Amount (₦ billion)	% of Total
2004	15.60	0.27	0	0.00	15.60	0.14
2005	34.68	0.61	0	0.00	34.68	0.32
2006	37.38	0.65	23.03	0.44	60.41	0.55
2007	80.63	1.41	68.34	1.30	148.97	1.36
2008	99.28	1.74	80.81	1.54	180.09	1.64
2009	137.10	2.40	91.21	1.74	228.31	2.08
2010	162.46	2.84	103.03	1.96	265.49	2.42
2011	228.92	4.01	119.53	2.28	348.45	3.18
2012	302.24	5.29	159.52	3.04	461.76	4.21
2013	278.50	4.87	225.42	4.29	503.92	4.59
2014	237.76	4.16	343.97	6.55	581.73	5.30
2015	200.05	3.50	358.91	6.83	558.96	5.10
2016	225.86	3.95	262.33	4.99	488.20	4.45
2017	257.11	4.50	353.73	6.73	610.84	5.57
2018	266.84	4.67	340.72	6.49	607.55	5.54
2019	331.56	5.80	369.13	7.03	700.69	6.39
2020	536.97	9.40	371.12	7.06	908.09	8.28
2021	491.75	8.61	387.40	7.37	879.15	8.02
2022	533.81	9.34	504.17	9.60	1,037.98	9.46
2023	714.88	12.51	604.28	11.50	1,319.16	12.03
Q1 2024	163.28	2.86	150.89	2.87	314.17	2.86
Q2 2024	217.00	3.80	160.83	3.06	377.83	3.45
Q3 2024	160.48	2.81	174.67	3.33	335.15	3.06
Total	5,714.14	100.00	5,253.04	100.00	10,967.18	100.00

3.1.1 Ranking of PFAs by the Amount of Contributions Received

The ranking of PFAs by cumulative pension contributions received during the quarter under review indicated that the top five ranked PFAs received **65.01%** of the total contributions as at the end of Q3:2024. Similarly, the top ten ranked PFAs accounted for **87.31%** of the total contributions. In comparison, the bottom five and bottom ten PFAs accounted for **4.23%** and **15.74%** of the total pension contributions, respectively.

Table 11: Ranking of PFAs by Amount of Contributions Received

RANK	AMOUNT	WEIGHT (%)
TOP 5	217,876,716,221.16	65.01
TOP 10	292,615,154,356.86	87.31
BOTTOM 5	14,481,623,656.39	4.23
BOTTOM 10	52,758,238,436.13	15.74

3.2 Overview of Pension Industry Fund Portfolio

The Net Asset Value (NAV) of Pension Fund Assets as at 30 September 2024 was **₦21.38 trillion**, which comprised of **₦14.81 trillion**, RSA 'Active' Funds (i.e. RSA Funds I, II, III, V and VI active); **₦1.53 trillion**, RSA Retiree Fund IV; **₦2.66 trillion**, CPFAs; and **₦2.38 trillion**, Approved Existing Schemes.

Pension Fund Assets were mainly invested in Federal Government Securities (FGN), which accounted for **63.00%** of total assets. The composition of investments in FGN Securities were as follows: FGN Bonds, **60.11%**; Treasury Bills, **2.33%**; and Agency, Sukuk and Green Bonds, **0.55%**.

A Summary of the Pension Industry Portfolio across fund types for the quarter ended 30 September 2024 (Q3:2024), is shown in Table 12 below:

Table 12: Pension Fund Portfolio by Fund Type as at 30 September 2024

	RSA ACTIVE FUNDS (I,II,III,V,VI)	RSA IV and VI RETIREE FUND	CPFAs	AES	TOTAL PENSION FUND ASSETS	WEIGHT
% OF PENSION ASSETS	69%	7%	12%	11%	100%	
ASSET CLASS	₦'Billion	₦'Billion	₦'Billion	₦'Billion	₦'Billion	
Domestic Ordinary Shares	1,778.74	39.08	49.75	186.41	2,053.98	9.61%
Foreign Ordinary Shares	-	-	270.43	-	270.43	1.26%
FGN Securities:	9,749.50	1,111.41	1,143.73	1,463.52	13,468.16	63.00%
<i>FGN Bonds</i>	9,361.89	1,050.93	1,104.38	1,334.44	12,851.64	60.11%
<i>Treasury Bills</i>	295.83	47.27	37.83	118.25	499.19	2.33%
<i>Agency Bonds (NIMRC)</i>	6.16	0.34	0.48	0.11	7.09	0.03%
<i>Sukuk</i>	83.71	12.71	1.03	10.61	108.06	0.51%
<i>Green' Bond</i>	1.90	0.16	-	0.11	2.17	0.01%
State Govt. Securities	194.81	22.35	10.33	30.99	258.48	1.21%
Corporate Debt Securities	1,166.83	154.86	771.59	155.83	2,249.12	10.52%
Supra-National Bonds	7.81	0.95	-	14.71	23.48	0.11%
Local Money Market Securities:	1,403.94	173.32	77.62	261.20	1,916.09	8.96%
<i>Bank Placement</i>	1,236.20	146.10	76.15	230.51	1,688.97	7.90%
<i>Commercial Papers</i>	167.75	27.22	1.47	30.69	227.12	1.06%
Foreign Money Market Securities	1.99	0.10	118.70	4.03	124.81	0.58%
Mutual Funds:	96.68	1.69	3.06	4.73	106.16	0.50%
<i>Open/Close-End Funds</i>	79.03	1.12	2.54	3.93	86.61	0.41%
<i>REITs</i>	17.65	0.57	0.52	0.80	19.54	0.09%
Real Estate Properties	-	-	114.30	67.46	181.76	0.85%
Private Equity Fund	78.48	-	14.54	3.93	96.95	0.45%
Infrastructure Fund	141.09	-	15.91	59.10	216.11	1.01%
Cash & Other Assets	191.17	26.17	72.98	123.61	413.93	1.94%
Net Assets Value	14,811.04	1,529.93	2,662.94	2,375.53	21,379.45	100.0%

The industry NAV as at the end of the reporting period increased by **4.37%** (**₦895.22 billion**) to **₦21.38 trillion** compared to a NAV of **₦20.48 trillion** as at 30 June, 2024. The growth in Q3:2024 was relatively stable compared to the growth of **₦814.92 trillion** (4.14%) recorded in Q2:2024. The performance of pension fund investments helped sustain this growth.

The table 13 below, shows the comparative Pension Industry Portfolio for the period ended 30 June and 30 September, 2024 respectively.

Table 13: Pension Industry Assets as at 30 June and 30 September, 2024

ASSET CLASS	TOTAL PENSION FUND ASSETS		TOTAL PENSION FUND ASSETS		VARIANCE	
	30-Jun-24		30-Sep-24		Jun' 24 - Sep' 24	
	₦Billion	Weight %	₦Billion	Weight %	₦Billion	Weight %
Domestic Ordinary Shares	1,967.46	9.60%	2,053.98	9.61%	86.52	4.40%
Foreign Ordinary Shares	279.74	1.37%	270.43	1.26%	(9.31)	-3.33%
FGN Securities:	12,960.02	63.27%	13,468.16	63.00%	508.14	3.92%
FGN Bonds	12,221.04	59.66%	12,851.64	60.11%	630.61	5.16%
Treasury Bills	399.46	1.95%	499.19	2.33%	99.73	24.97%
Agency Bonds (NMRC)	8.80	0.04%	7.09	0.03%	(1.71)	-19.47%
Sukuk	114.20	0.56%	108.06	0.51%	(6.13)	-5.37%
Green bonds	216.53	1.06%	2.17	0.01%	(214.36)	-99.00%
State Govt. Securities	260.10	1.27%	258.48	1.21%	(1.63)	-0.63%
Corporate Debt Securities	2,207.24	10.78%	2,249.12	10.52%	41.88	1.90%
Supra-National Bonds	22.72	0.11%	23.48	0.11%	0.76	3.33%
Local Money Market Securities	1,825.64	8.91%	1,916.09	8.96%	90.45	4.95%
Foreign Money Market Securities	103.52	0.51%	124.81	0.58%	21.29	20.56%
Mutual Funds:	83.02	0.41%	106.16	0.50%	23.14	27.87%
Funds	67.99	0.33%	86.61	0.41%	18.63	27.40%
REITs	15.03	0.07%	19.54	0.09%	4.52	30.04%
Real Estate Properties	278.44	1.36%	262.52	1.23%	(15.93)	-5.72%
Private Equity Fund	109.20	0.53%	96.95	0.45%	(12.25)	-11.21%
Infrastructure Fund	162.49	0.79%	216.11	1.01%	53.62	33.00%
Cash & Other Assets	224.64	1.10%	333.18	1.56%	108.54	48.32%
Net Assets Value	20,484.23	100.00%	21,379.45	100.00%	895.22	4.37%

The value of investments in domestic quoted ordinary shares stood at **₦2.05 trillion (9.61%** of total assets under management) indicating a net increase of **₦86.52 billion (4.40%)** compared to **₦1.97 trillion** as at 30 June, 2024. Although the proportionate allocation to this asset class was fairly stable at **9.60%**, the increase in the value of investments in domestic quoted equities was primarily due to the depreciation in the prices of some stocks during the reporting period, as the Nigerian Stock Exchange Pension Index (NSE-PI) appreciated by **6.66%** in Q3:2024 relative to a depreciation of **4.37%** in Q2:2024.

The value of investments in FGN Securities increased by **₦508.14 billion (3.92%)** to **₦13.47 trillion** as at 30 September 2024 from **₦12.96 trillion** as at 30 June 2024. The increase in the value of investments in FGN Securities was majorly due to additional investments, in the asset class during the quarter.

Pension fund allocation across various asset classes remained stable between Q2 and Q3: 2024. The persistent preference for fixed income securities was due to record high yields associated with the ongoing contractionary monetary actions of the Central Bank of Nigeria. The quarter witnessed a monetary policy hike from 26.25% in Q2: 2024 to 27.25% in Q3: 2024, resulting to an increase in yields from 19.68% in Q2:2024 to 19.74% in Q3:2024. The first hike in 23 July 2024 sustained an upward trend in yields on 10-year Federal Government Bonds, reaching 20% for a month, before settling at 19.74% by the end of Q3:2024.

3.3 Review of RSA Funds

3.3.1 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 **₦14.79 trillion** as at 30 September 2024. This represented a net growth of **₦619.82 billion (4.38%)** as the NAV increased from **₦14.17 trillion** as at 30 June, 2024 to **₦14.79 trillion** as at 30 September, 2024.

The breakdown of the NAV of the RSA 'Active' Funds exclusive of the unremitted contributions domiciled with CBN and the comparative variances for the period ended 30 June, and 30 September 2024 respectively are presented in Table 14 below:

Table 14: RSA 'Active' Fund Assets – 30 June / 30 September 2024

ASSET CLASS	RSA ACTIVE FUND				Variance	
	Jun-24		Sep-24		Jun' 24/Sept' 24	
	₦Billion	Weight %	₦Billion	Weight %	₦Billion	Weight %
Domestic Ordinary Shares	1,706.07	12.04%	1,778.74	12.03%	72.67	4.26%
FGN Securities:	9,391.20	66.29%	9,725.78	65.77%	334.58	3.56%
FGN Bonds	9,094.42	64.19%	9,361.89	63.31%	267.47	2.94%
Treasury Bills	200.01	1.41%	272.12	1.84%	72.10	36.05%
Agency Bonds (NMRC)	6.31	0.04%	6.16	0.04%	(0.15)	-2.33%
Sukuk	89.26	0.63%	83.71	0.57%	(5.55)	-6.22%
Green	1.20	0.01%	1.90	0.01%	0.71	58.98%
State Govt. Securities	195.41	1.38%	194.81	1.32%	(0.60)	-0.31%
Corporate Debt Securities	1,161.76	8.20%	1,166.83	7.89%	5.07	0.44%
Supra-National Bonds	12.52	0.09%	7.81	0.05%	(4.70)	-37.58%
Money Market Securities	1,345.97	9.50%	1,403.94	9.49%	57.98	4.31%
Foreign Money Market Securities	0.83	0.01%	1.99	0.01%	1.16	140.10%
Mutual Funds:	73.40	0.52%	96.68	0.65%	23.27	31.71%
Open/Close-End Funds	60.38	0.43%	79.03	0.53%	18.65	30.89%
REITs	13.03	0.09%	17.65	0.12%	4.62	35.49%
Private Equity Fund	73.49	0.52%	78.48	0.53%	4.99	6.80%
Infrastructure Fund	128.62	0.91%	141.09	0.95%	12.47	9.70%
Cash & Other Assets	78.24	0.55%	191.17	1.29%	112.93	144.34%
Net Assets Value	14,167.51	100.00%	14,787.33	100.00%	619.82	4.37%

The RSA Fund II, which is the default RSA Fund under the Multi-Fund Structure, maintained the largest share of the total assets of the Active RSA Funds as it represented **59.73%** of the total assets of the RSA 'Active' Funds as at the end of the reporting period. Table 15 and Figure 1 provide a breakdown of the shares of the NAV of RSA Active Funds.

Table 15: Assets of the RSA "Active" Funds – as of 30 September 2024

FUND	₦Million	Weight
RSA FUND I	222.73	1.51%
RSA FUND II	8,832.80	59.73%
RSA FUND III	5,656.13	38.25%
RSA FUND V	1,01	0.01%
RSA FUND VI Active	74.65	0.50%

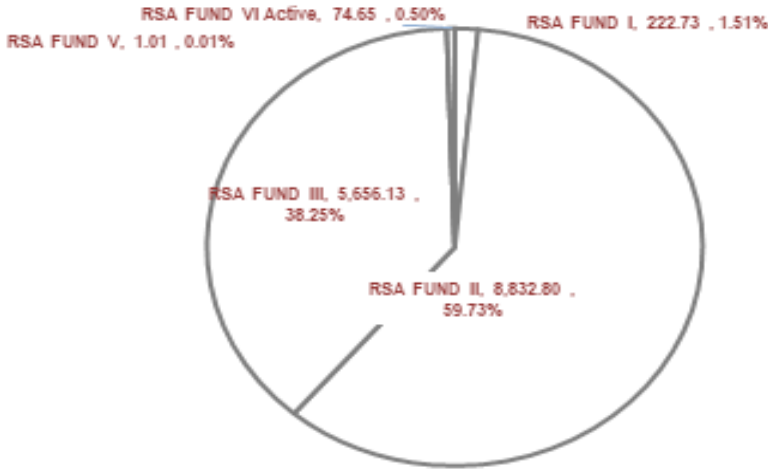


Figure 1: RSA "Active" Funds - as of Q3:2024

3.3.2 Sources of Portfolio Growth/Diminution for RSA Active Funds

In Q3:2024, contributions received into the RSA Active funds amounted to **₦659.93** billion, representing a **6.77%** decrease compared to **₦707.82** billion recorded in Q2:2024. However, contributions received were significantly offset by the combination of benefit paid and asset-based fees for the period. This implies that investment performance, which was significantly attributed to interest/coupon income of **₦460.42 billion** and unrealized gains of **₦89.11** billion, were the primary drivers of growth during the period. The increase in interest/coupon income was attributed to higher yields on additional investments in fixed income securities and general appreciation in the prices of equities held during the period.

A summary of the sources of portfolio growth/diminution in RSA Funds are highlighted in figure 2 below:

**SOURCES OF PORTFOLIO GROWTH AND DIMINUTION RSA ACTIVE
FUND ₦' Billion**

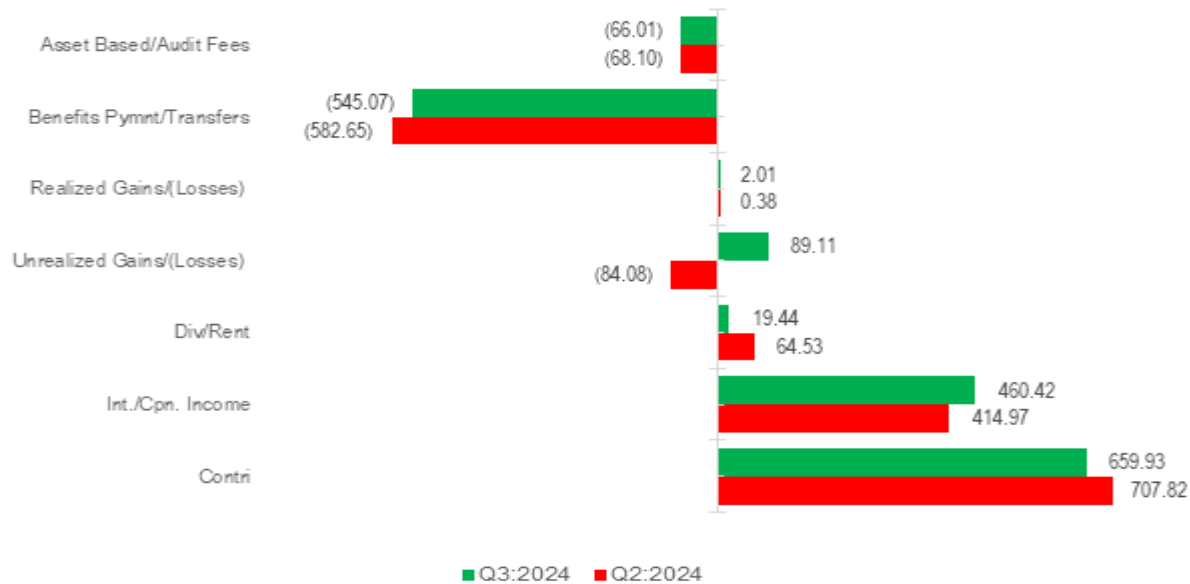


Figure 2: RSA "Active" Fund- Sources of Portfolio Growth Btw Q2 and Q3:2024

Contributions Received:

Monthly pension contributions totaling **₦659.93 billion** were received in Q3:2024 for RSA Funds I, II, III, V and VI Active. The amount had decreased by **₦47.89 billion** compared to the total contributions of **₦707.82** recorded in Q2:2024.

i. Interest/Coupons and Dividends:

The interest/coupons received on investments in fixed income securities amounted to **₦460.42 billion** in Q3:2024. The amount indicated an increase compared to the sum of **₦414.97 billion** recorded in Q2:2024. Furthermore, dividends of **₦19.44 billion** received by RSA Active funds in Q3:2024 represented a decrease relative to dividends of **₦64.53 billion** received in Q2:2024.

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

The total unrealized gains on the RSA 'Active' Funds in Q3:2024 amounted to **₦89.11 billion**, a significant improvement compared to the unrealized losses of **₦84.08 billion** recorded in Q2:2024. The losses in Q2:2024 were primarily attributed to a depreciation in equity prices.

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

Total realized gains for the period increased by **₦1.63 billion** from **₦0.38 billion** in Q2:2024 to **₦2.01 billion** in Q3:2024.

iv. Transfers to RSA Retiree Funds and Benefits Payments:

Total transfers from RSA 'Active' Funds to RSA Retiree Fund and payment of 25% unemployment benefits amounted to **₦545.07 billion** in Q3:2024, which was decrease of 6.45% from **₦582.65 billion** transferred in Q2:2024.

3.3.3 RSA Retiree Fund IV and "Fund VI – Retiree

The NAV of RSA 'Retiree' Funds increased by **₦50.57 billion** from **₦1.48 trillion** as at 30 June, 2024 to **₦1.53 trillion** as at 30 September, 2024.

The breakdown of the Net Assets Value of the RSA 'Retiree Fund and the comparative variances for the period ended 30 June 2024 and 30 September 2024, are presented in Table 16 below:

Table 16: RSA 'Retiree' Fund Assets June / September 2024

ASSET CLASS	Jun-24		Sept-24		Variance Jun'2024 / Sept' 2024	
	₦'Billion	Weight %	₦'Billion	Weight %	₦'Billion	Weight %
Domestic Ordinary Shares	36.89	2.49%	39.08	2.55%	2.19	5.93%
FGN Securities:	1,062.84	71.84%	1,111.41	72.64%	48.57	4.57%
FGN Bonds	1,015.12	68.62%	1,050.93	68.69%	35.81	3.53%
Treasury Bills	36.69	2.48%	47.27	3.09%	10.58	28.85%
Agency Bonds (NMRC & FMBN)	0.35	0.02%	0.34	0.02%	(0.01)	-2.44%
Sukuk	10.68	0.72%	12.71	0.83%	2.03	18.98%
Green Bonds	-	0.00%	0.16	0.01%	0.16	100.00%
State Govt. Securities	22.30	1.51%	22.35	1.46%	0.05	0.23%
Corporate Debt Securities	163.92	11.08%	154.86	10.12%	(9.05)	-5.52%
Supra-National Bonds	0.92	0.06%	0.95	0.06%	0.03	3.25%
Money Market Securities	176.47	11.93%	173.42	11.34%	(3.04)	-1.72%
Open/Close End Funds	1.68	0.11%	1.69	0.11%	0.01	0.40%
Cash & Other Assets	14.35	0.97%	26.17	1.71%	11.82	82.39%
Net Assets Value	1,479.36	100.00%	1,529.93	100.00%	50.57	3.42%

3.3.3.1 Sources of Portfolio Growth/Diminution RSA Retiree Funds

Significant drivers of growth in the RSA Retiree funds (IV and VI-B) in Q3:2024 were Inward Transfer/Contributions Received **N130.48** billion and Interest/Coupon on Fixed Incomes securities **N53.84** billion. Although contributions received during the period was nearly offset by benefit paid, interest/coupon received increased by **10.19%** during the period. Details of other components of growth in the retiree funds are presented in the figure 3 below:

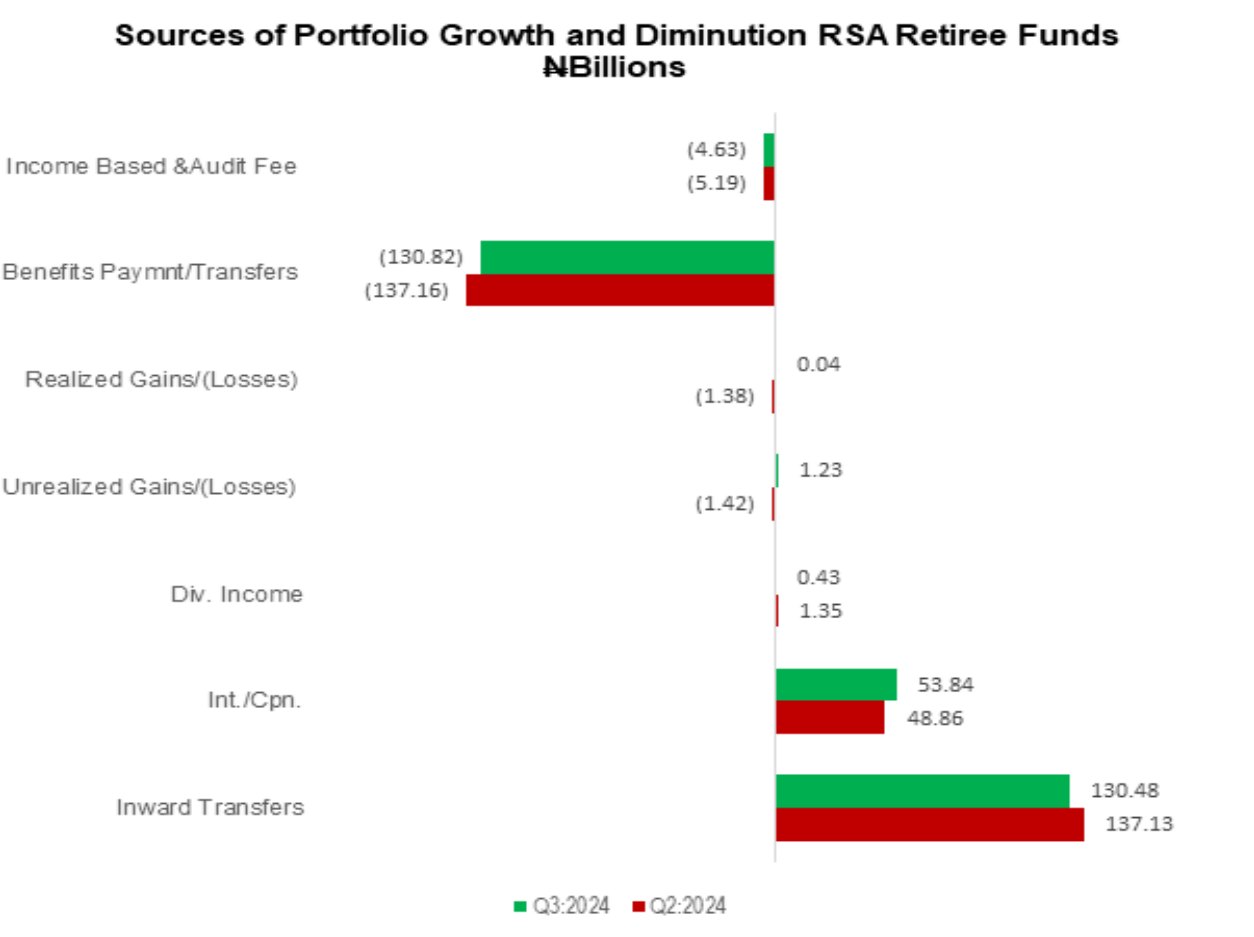


Figure 3: Sources of Portfolio Growth and Diminution

3.4 Portfolio Performance – RSA Funds I - VI

The respective RSA Funds recorded higher returns in Q3:2024 relative to Q2:2024. The highest returns were observed in Micro Pension Fund (**4.68%**), Fund VI Active (**3.99%**) and Fund VI Retiree (**3.92%**). Returns on other funds ranged between **3.54%** in Fund III and **3.88%** in Fund I as shown in Figure 3 below. The trend in performance indicated a lead by fixed income dominated funds due to increased yields during the period.

PORTFOLIO PERFORMANCE OF THE RSA FUNDS FOR Q3:2024

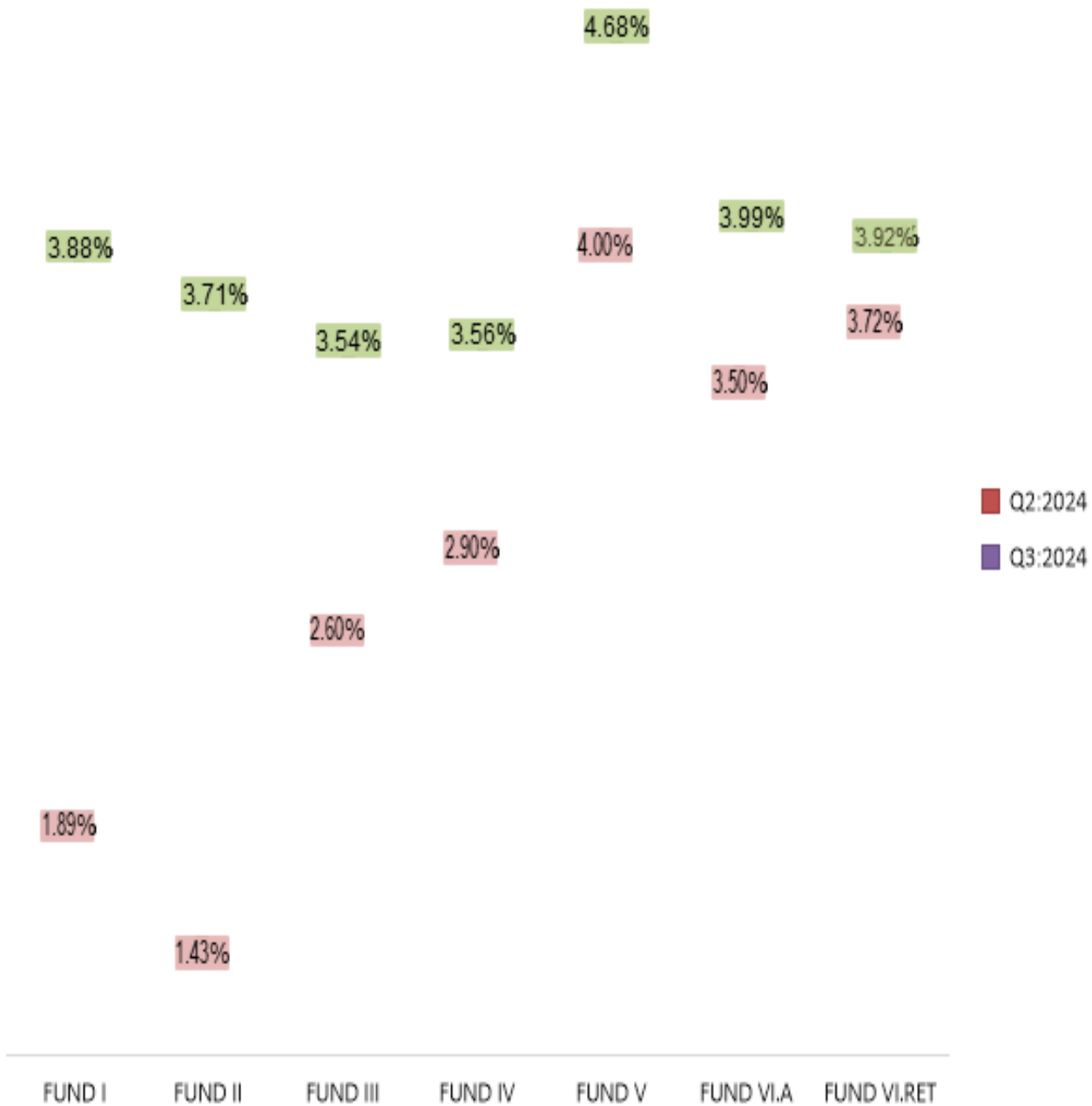


Figure 4: Portfolio Performance of the RSA Funds for Q2 & Q3 2024

The relatively lower performances of the RSA Funds for I, II III & IV was due to their relatively higher exposures to variable income securities.

3.5 Review of CPFA/AES Funds

3.5.1 CPFA Funds

The value of pension fund assets held by the CPFA Funds increased by **5.16%** (**₦130.57 billion**) to **₦2.66 trillion** in Q3:2024. The comparative summary of the CPFA Funds for the period ended 30 June and 30 September, 2024 are presented in Table 17 below:

Table 17: Summary of CPFA Pension Assets – June 2024/ September 2024

ASSET CLASS	CPFA FUNDS				Variance	
	Jun-24		Sept-24		Jun 2024/ Sept 2024	
	₦'Billion	Weight %	₦'Billion	Weight %	₦'Billion	Weight %
Domestic Ordinary Shares	49.78	1.97%	49.75	1.96%	(0.03)	-0.06%
Foreign Ordinary Shares	279.74	11.05%	270.43	10.68%	(9.31)	-3.33%
FGN Securities:	1,151.19	45.46%	1,143.73	45.16%	(7.46)	-0.65%
FGN Bonds	896.51	35.40%	1,104.38	43.61%	207.87	23.19%
Treasury Bills	38.21	1.51%	37.83	1.49%	(0.38)	-0.99%
Agency Bonds (NMRC)	0.51	0.02%	0.48	0.02%	(0.02)	-4.59%
Sukuk Bonds	0.97	0.04%	1.03	0.04%	0.06	6.62%
Green Bonds	214.99	8.49%	-	0.00%	(214.99)	-100.00%
State Govt. Securities	11.35	0.45%	10.33	0.41%	(1.02)	-8.98%
Corporate Debt Securities	727.01	28.71%	771.59	30.47%	44.58	6.13%
Money Market Securities	50.50	1.99%	77.62	3.07%	27.12	53.71%
Foreign Money Market Securities	102.70	4.06%	118.70	4.69%	16.00	15.58%
Mutual Funds:	3.34	0.13%	3.06	0.12%	(0.28)	-8.44%
Open/Close-End Funds	2.77	0.11%	2.54	0.10%	(0.23)	-8.18%
REITs	0.58	0.02%	0.52	0.02%	(0.06)	-9.72%
Real Estate Properties	113.47	4.48%	114.30	4.51%	0.83	0.73%
Private Equity Fund	13.25	0.52%	14.54	0.57%	1.29	9.77%
Infrastructure Fund	16.00	0.63%	15.91	0.63%	(0.09)	-0.58%
Cash & Other Assets	14.05	0.55%	72.98	2.88%	58.93	419.33%
Net Assets Value	2,532.37	100.00%	2,662.94	105.16%	130.57	5.16%

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

In Q3 2024, the portfolio experienced a growth of **₦130.57 billion**, indicating a continued expansion. However, this was lower than the **₦216.53 billion** growth in **Q2 2024**, representing a **39.7%** decline in overall portfolio growth as shown below:

Table 18: CPFA Funds - Major sources of Portfolio Growth/diminution – Q3:2024

SOURCES OF PORTFOLIO GROWTH	Q2: 2024	Q3: 2024
	₦'Billion	₦'Billion
New inflow of Funds:		
Fund Injections by Scheme Sponsors/Contributions	8.87	11.05
Investment Incomes:		
Interest/Coupons	52.09	57.61
Dividends/Rental Income	86.04	86.89
Net Realized Gains/(Losses)	85.50	(0.30)
Net Unrealized Gains/(Losses) on Equities/Mutual Funds/Bonds	19.32	(0.20)
Benefit Payments	(30.78)	(21.21)
Asset Based Fees, Audit Fees (and VAT)	(4.51)	(3.26)
Net Portfolio Growth	216.53	130.57

The Q3 2024's net portfolio growth was driven by stable income from fixed-income investments and dividends, with inflows supporting asset accumulation, despite marginal realized and unrealized market fluctuations.

The quarterly unaudited rates of return recorded on the CPFA Funds ranged between **3.42%** and **6.35%**. The return was reflective of the actual asset allocation and security selection of the respective funds under management of the CPFA funds. Shell CPFA had the highest return which was attributed to foreign currency translation gains.

3.5.2 Approved Existing Schemes

The NAV of the Approved Existing Schemes (AES) increased by **₦168.75 billion (7.65%)** from **₦2.21 trillion** as at 30 June 2024 to **₦2.38 trillion** as at 30 September, 2024.

The breakdown of the NAV of the AES Fund and the comparative variances for the periods ended 30 June, 2024 and 30 September, 2024 respectively are presented in the table 19 below:

Table 19: Summary of AES Pension Assets – June. 2024 / September 2024

ASSET CLASS	AES FUNDS				Variance Jun'24/Sep'24	
	30-Jun-24		30-Sep-24		₦'Billion	Weight %
	₦'Billion	Weight %	₦'Billion	Weight %		
Domestic Ordinary Shares	174.72	7.92%	186.41	7.85%	11.69	6.69%
FGN Securities:	1,337.33	60.60%	1,463.52	61.61%	126.18	9.44%
FGN Bonds	1,216.62	55.13%	1,334.55	56.18%	117.92	9.69%
Treasury Bills	107.08	4.85%	118.25	4.98%	11.17	10.43%
Sukuk	13.28	0.60%	10.61	0.45%	(2.67)	-20.12%
Green Bond	0.34	0.02%	0.11	0.00%	(0.24)	-68.82%
State Govt. Securities	31.05	1.41%	30.99	1.30%	(0.06)	-0.19%
Corporate Debt Securities	154.55	7.00%	155.83	6.56%	1.28	0.83%
Supra-National Bonds	9.28	0.42%	14.71	0.62%	5.43	58.52%
Money Market Securities	252.70	11.45%	265.23	11.17%	12.52	4.96%
Mutual Funds:	4.59	0.21%	4.73	0.20%	0.14	3.11%
Open/Close-End Funds	3.73	0.17%	3.93	0.17%	0.19	5.20%
REITs	0.86	0.04%	0.80	0.03%	(0.05)	-6.00%
Real Estate Properties	84.21	3.82%	67.46	2.84%	(16.76)	-19.90%
Private Equity Fund	22.47	1.02%	3.93	0.17%	(18.53)	-82.49%
Infrastructure Fund	17.86	0.81%	59.10	2.49%	41.24	230.86%
Cash & Other Assets	118.00	5.35%	123.61	5.20%	5.61	4.75%
Net Assets Value	2,206.78	100.00%	2,375.53	100.00%	168.75	7.65%

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

Growth in AES pension assets was significantly attributed to fund injected by the scheme sponsor as net funding (funding injected by scheme sponsor less benefit) amounted to **₦52.54** billion during quarter. The increase was further complimented by investment income (**₦64.62** billion), unrealized gains (**₦39.77** billion) and Dividends received (**₦16.67** billion)

The major sources of net portfolio growth/diminution for the period are presented in Table 20 below:

Table 20: AES Funds - Major sources of Portfolio Growth/diminution – Q3:2024

SOURCES OF PORTFOLIO GROWTH	Q2:2024	Q3:2024
	₦'Billion	₦'Billion
New inflow of Funds:		
Fund Injections by Scheme Sponsors/Contributions	58.67	84.28
Investment Incomes:		
Interest/Coupons	63.84	64.62
Dividends/Rental Income	6.17	16.67
Net Realized Gains/(Losses) on Equity/Bonds	(1.40)	(0.38)
Net Unrealized Gains/(Losses) on Equities/Bonds	25.90	39.77
Benefit Payments	(33.47)	(31.74)
Asset Based Fees, Audit Fees (and VAT)	(4.80)	(4.47)
Net Portfolio Growth	114.91	168.75

Furthermore, the average return on the consolidated AES Funds increased to **4.98%** in Q3:2024 compared to **4.01%** Q2:2024. The increase in the funds performances was attributed to dividend incomes and further appreciation in the prices of securities in the AES portfolios during the period.

3.6 Retirement/Terminal Benefits

3.6.1 Retirement by Programmed Withdrawal

The PFAs submitted **5,910** requests for retirees to draw pension through Programmed Withdrawal mode during the quarter under review. This is a mode of payment offered by the PFAs that allows a retiree to access his retirement benefit on a monthly or quarterly basis.

The Commission approved **5,898** requests, while twelve (**12**) were rejected due to wrong computations of lump sum or monthly pensions. Out of the **5,898** retirees whose benefits were approved, **2,997** were from the private sector, while **2,901** were from the public sector.

A lump sum of **₦38,507.36** million was approved for the **5,898** retirees, while their monthly pension was **₦596.69** million, as shown in Table 21 below:

Table 21: Retirement by Programmed withdrawal in Q3 2024

Period	Request Submitted	Request Approved	Request Rejected	Sectorial Approvals			Lump sum (N) Million	Monthly PW (N) Million
				FGN	State	Private		
Inception – Q2 (2024)	361,363	357,310	4,053	170,040	41,981	145,289	1,103,176.35	16,744.96
Q3 2024	5,910	5,898	12	849	2,052	2,997	38,507.57	596.69
Total	367,273	363,208	4,065	170,889	44,033	148,286	1,141,684	17,341.65

3.6.2 Retirement by Retiree Life Annuity

The PFAs submitted **4,471** requests from retirees to receive pension through Retiree Life Annuity (RLA) mode during the quarter under review. This is a mode of offered by Life Assurance companies approved by the National Insurance Commission.

Out of the requests received, **4,414** requests were approved, while fifty-seven (57) were rejected due to incorrect computations. Out of the **4,414** retirees whose benefits were approved, **1,679** were from the private sector, while the remaining **2,735** were from the public sector as shown in Table 22 below:

A lump sum of **₦27,027** billion was approved for the **4,414** retirees, while **₦514.47 million** was paid to RLA providers for their monthly annuity payment of **₦21.411 million**.

Table 22: Retirement by Annuity in Q3 2024

Period	Request submitted	Request Approved	Request rejected	Sectorial Approvals			Lump sum (N) Million	Premium (N) Million	Annuity(N) Million
				FGN	State	Private			
Inception – Q2 (2024)	133,137	129,435	3,702	68,048	18,873	42,514	294,123.55	798,581.94	8,057.81
Q3 2024	4,471	4,414	57	1,246	1,489	1,679	27,027	21,411.27	514.47
Total	137,608	133,849	3,759	69,294	20,362	44,193	321,151.00	819,993.21	8,572.28

3.6.3 Approval of Death Benefits

A total of **2,688** beneficiaries applied to access the death benefits of deceased employees/retirees. Out of that, **2,638** requests were approved, while fifty (**50**) were rejected due to incorrect documentation. Out of the **2,638** death benefit requests approved, **753** were from the private sector, while the remaining **1,885** were from the public sector. A total of **₦17,932.11** billion was approved for the beneficiaries, as shown in Table 23 below.

Table 23: Approval of Death Benefits in Q3 2024

Period	Request submitted	Request approved	Request rejected	Sectorial Approvals			Amounts (₦) Million
				FGN	State	Private	
Inception – Q2 2024	105,818	104,259	1,559	67,235	11,018	26,006	451,202.00
Q3 2024	2,688	2,638	50	1,436	449	753	17,932.11
Total	108,506	106,897	1,609	68,671	11,467	26,759	459,134.12

3.6.4 Enbloc Payment of Retirement Benefits

The Commission received **4,166** requests from retirees for enbloc payments during the quarter under review. This is a pay-out to retirees whose consolidated RSA balance could not procure a monthly/quarterly pension or annuity of at least one third of the prevailing minimum wage.

Out of the retiree requests, **4,163** were approved while three (**3**) were rejected because of incorrect Annual Total Emolument (ATE). Out of the **4,163** retirees whose benefits were approved, **3,830** were from the private sector, while the remaining **333** were from the public sector. The sum of **₦2,717.96** million was approved for the **4,163** retirees, as shown in Table 24 below.

Table 24: Enbloc Payment of Retirement Benefits in Q3 2024

Period	Request submitted	Request approved	Request rejected	Sectorial Approvals			Amounts (₦) Million
				FGN	State	Private	
Inception – Q2 2024	170,823	167,161	3,662	8,031	4,671	154,459	52,656.26
Q3 2024	4,166	4,163	3	131	202	3,830	2,717.96
Total	174,989	171,324	3,665	8,162	4,873	158,289	55,374.22

3.6.5 Withdrawal of 25 Percent from RSA Balances

A total of **9,512** RSA holders requested to access 25% of their RSA balances due to temporary loss of employment. Out of that, **9,494** RSA holders' requests were approved, while eighteen (**18**) were rejected because their ages were above 50 years. Out of the **9,494** applicants whose benefits were approved, **9,074** were from the private sector, while the remaining **420** were from the public sector.

The sum of **₦9,952.06** million was approved for the **9,494** RSA holders under the age of 50 years, as shown in Table 25 below:

Table 25: Withdrawal of 25% from RSA Balance in Q3 2024

Period	Request submitted	Request approved	Request rejected	Sectorial Approvals			Amount (N) Million
				FGN	State	Private	
Inception – Q2 2024	524,389	507,335	17,054	14,589	9,282	483,464	247,465.45
Q3 2024	9,512	9,494	18	293	127	9,074	9,952.06
Total	533,901	516,829	17,072	14,882	9,409	492,538	257,417.51

3.6.6 Pre- Act/NSITF Contributions Approved for Payment

A total of one hundred and thirty-two (132) retirees requested payment of Pre-Act/NSITF benefits. One hundred and twenty-seven (127) RSA holders' requests were approved, while five (5) were rejected because their ages were above 50 years. Out of the one hundred and twenty-seven (127) applicants whose benefits were approved, one hundred and twenty-three (123) requests were from the private sector, while the remaining 4 were from the public sector.

The sum of **₦300.53** million was approved for the one hundred and twenty-seven (127) retirees, as shown in Table 26.

Table 26: Pre-Act/NSITF Contributions

Period	Request submitted	Request approved	Request rejected	Sectorial Approvals			Net Amount Payable (N) Million
				FGN	State	Private	
Inception – Q2 2024	14,830	12,240	2,590	192	34	12,014	12,889.58
Q3 2024	132	127	5	4	0	123	300.53
Total	14,962	12,367	2,595	196	34	12,137	13,190.11

3.6.7 Requests for Equity Contribution for Residential Mortgage

A total of **3,925** 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 **3,804** requests amounting to **₦32,622.52** million, while **121** were rejected due to incorrect documentations. Out of the **3,804** applicants whose benefits were approved, **1,212** were from the private sector, while the remaining **2,592** were from the public sector, as shown in Table 27 below.

Table 27: Approved 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 – Q2 2024	5,861	5,276	585	3,533	200	1,543	47,125.20
Q3 2024	3,925	3,804	121	2,509	83	1,212	32,622.52
Total	9,786	9,080	706	6,042	283	2,755	79,747.72

3.6.8 Voluntary Contributions

A total of **1,740** RSA holders requested to access their voluntary contributions during the quarter under review. Approvals were granted to **1,717** contributors, while twenty-three (**23**) were rejected due to incorrect computations. The **1,717** RSA holders whose benefits were approved, **1,553** were from the private sector, while one hundred and sixty-four (**164**) were from the public sector, as shown in Table 28 below.

Table 28: Approvals for Accessing Voluntary Contribution in Q3 2024

Period	Request submitted	Request approved	Request rejected	Sectorial Approvals			Net Amount Payable (N) Million
				FGN	State	Private	
Inception – Q2 2024	52,631	52,336	295	3,272	56	49,008	48,409.15
Q3 2024	1,740	1,717	23	160	4	1,553	6,566.22
Total	54,371	54,053	318	3,432	60	50,561	54,975.37

3.7 Financial Market Outlook for Q3: 2024

Nigeria's macroeconomic conditions remained fragile in the first three quarters of 2024, driven by persistent inflationary pressures and exchange rate volatility. The Central Bank of Nigeria's (CBN) tight monetary policy, aimed at curbing inflation, resulted in elevated interest rates, further straining economic activity. Declining foreign reserves and reduced oil revenue exacerbated capital outflows, with Foreign Portfolio Investment (FPI) contracting by 35.5% and Foreign Direct Investment (FDI) declining by 30.4%. The trade deficit widened to -\$2.2 billion, while sustained foreign exchange demand contributed to the depreciation of the Naira from ₦1,470.19/USD in Q2 to ₦1,601.03/USD in Q3, representing an 8.89% decline.

Inflationary pressures moderated to 32.70% in Q3 2024, down from 34.19% in Q2, with food inflation remaining a key driver. However, food prices are expected to remain elevated in Q4 2024 due to flash floods in major agricultural regions, higher transportation costs driven by fuel price increases, and seasonal demand pressures. Given these conditions, the Central Bank of Nigeria (CBN) is likely to maintain its contractionary monetary policy stance, keeping the Monetary Policy Rate (MPR) at its current level for most of Q4 2024.

The equity market is expected to show mixed performance as Q3 2024 earnings reports are released. Banks and other firms with net foreign currency assets may experience improved stock valuations, while companies in the consumer and industrial goods sectors may see modest market adjustments. The performance of pension fund equity portfolios will be influenced by stock selection strategies and sectoral allocations.

Pension funds are projected to deliver a net positive performance, supported by higher yields from their fixed-income portfolios, while the equities market is expected to contribute modestly to overall returns during the period.

Signed:

Research and Strategy Management Department