



NATIONAL PENSION COMMISSION

174, Adetokunbo Ademola Crescent, Wuse II, Abuja.
P.M.B. 5170 Wuse, Abuja, Nigeria
Tel: +234-9-4138736-40, 09-6720091, 6720094, 4133398,
4133363 www.pencom.gov.ng

CIRCULAR

REF: PenCom/INSP/Surv/2025/1299
DATE: 5 August, 2025
TO: All Licensed Pension Fund Operators
SUBJECT: INVESTMENT IN ADDITIONAL TIER 1 (AT1) CAPITAL OF DEPOSIT MONEY BANKS

- 1.0 The Commission has recently been inundated with requests from Pension Fund Administrators (PFAs) seeking to invest pension fund assets in Additional Tier 1 (AT1) Capital instruments of Deposit Money Banks.
- 2.0 AT1 as approved by Central Bank of Nigeria (CBN) regulations "is perpetual i.e. there is no maturity date and there are no incentives to redeem". This provision is contrary to Section 2.4 of the Regulations on Investment of Pension Fund Assets, which states that "PFAs shall not invest Pension Fund Assets in instruments that are subject to any type of prohibitions or limitations on the sale or purchase of such instrument, except open/close-end/hybrid funds and specialist investment funds allowed by this Regulations".
- 3.0 Arising from the foregoing, PFAs cannot invest pension fund assets in Additional Tier 1 (AT1) Capital instruments issued by Deposit Money Banks.
- 4.0 This Circular takes immediate effect.

5.0 All enquiries regarding this Circular should be directed to the Head, Investment Supervision Department.

Please be guided accordingly.

Thank you.

Yours faithfully,



A.M. Saleem
Director, Surveillance Department