

# NEWSLETTER

*A Quarterly Publication by Veritas Glanvills Pensions Limited*



Discussion outline...

- 01: Review of the Nigerian Economy
- 02: Pension Industry News
- 03: Update on Micro Pension Plan

*...a promise to your future self*



Aggregate GDP stood at N31,794,085.85 million in nominal terms. This aggregate was higher than in the first quarter of 2018 which recorded N28,438,604.23 million, representing a year on year nominal growth rate of 11.80%. The aggregate was, however, lower than in the preceding quarter of N35,230,607.63 million, by -9.75%. The nominal GDP growth rate in Q1 2019 was higher than the rate recorded in Q1 2018 by 2.54% points. For further analysis, the Nigerian economy can be classified broadly into the oil and non-oil sectors.

## Review of the Nigerian Economy

In its latest GDP report released, the National Bureau of Statistics (NBS) stated that the country's GDP Nigeria's Gross Domestic Product (GDP) grew by 2.01% (year-on-year), in real terms, in the first quarter of 2019. Compared to the first quarter of 2018, which recorded real GDP growth rate of 1.89%, the Q1 2019 growth rate represented an increase of 0.12% points. However, relative to the preceding quarter (fourth quarter of 2018), real GDP growth rate declined by -0.38% points. It is worth noting that general elections were held across the country during the first quarter of 2019 and this may have reflected in the strongest first quarter performance observed since 2015.

The Consumer Price Index, (CPI) which measures inflation increased by 11.40 percent (year-on-year) in May 2019. This is 0.03 percent points higher than the rate recorded in April 2019 (11.37 percent). Increases were recorded in all COICOP divisions that yielded the Headline index.

On month-on-month basis, the Headline index increased by 1.11 percent in May 2019. This is 0.17 percent rate higher than the rate recorded in April 2019 (0.94 percent).

The percentage change in the average composite CPI for the twelve months period ending May 2019, over the average of the CPI for the previous twelve months period was 11.30 percent, 0.01 percent points from 11.31 percent recorded in April 2019.



**Source:** CBN, NBS, VG Pension Research

## Nigeria Macroeconomic Indicators

	30-Jun-19	31-Mar-19	% Change	Remark	Frequency
CBN Official FX Rate (₦/\$)	306.90	306.95	(0.02)	Appreciation	Daily
I & E FX Window (₦/\$)	360.74	360.63	0.03	Depreciation	Daily
External Reserve (\$ Billion)*	45.07	44.14	2.11	Accretion	Daily
Brent Oil Prices (\$ barrel)	65.80	68.39	(3.79)	Decrease	Daily
Inflation (%)	11.40	11.31	0.80	Increase	Monthly
GDP Growth (%)	2.01	2.38	(15.55)	Decrease	Quarterly
Monetary Policy Rate (%)	13.50	13.50	-	Stable	Bi-Monthly

## Money Market Report

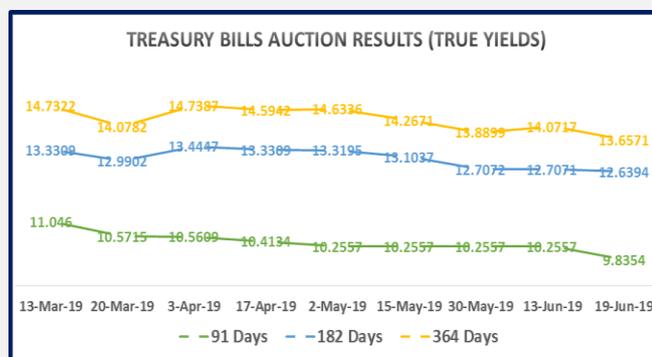
The OVN and OBB rates closed at 4.64% and 4.00% respectively compared to 10.67% and 9.86% respectively in same period in March 2019 as a result of liquidity in the banking system.

Tenor	30-Jun-19	31-Mar-19
O/N	4.64	10.67
OBB	4.00	9.86

Source: FMDQ

## Treasury Bills Market

- The T-bills yields across tenors has been on the southward trend in the quarter.
- Similar trend is also observed in the secondary market.
- This trend may be sustained until government starts the implementation of the 2019 budget.



## Bond Market

- The Bond market has been bullish in recent days. This development has seen the yields looking upward.
- The May primary auction saw the rates slipped across 5-year, 7-year and 30-year bonds. But at the June auction, rates inched up across tenors.
- However, yields have been looking downward at the secondary market in the last few trading days.



Source: CBN, VG Pensions Research

## Equities Market

- The Nigerian equities market ended the quarter in the negative territory as the NSE-ASI, depreciated by 4.66%. However, the month of June has been on the downward trend. The market has recorded loss of 3.53% Year-to-Date (YtD).
- YtD, all NSE Indices closed negative except for Premium index.
- The decline in the year was attributed to factors like sell off by foreign portfolio investors, lack of confidence in the market and lack of certainty about what to expect from government's economic direction.
- The market is projected to close the year positive on the back of improved economy and relatively stable FX market.

Month	NSE ASI	ASI Monthly Returns (%)	QtD (%)	YtD (%)
January	30 557.20	(2.78)	(1.24)	(2.78)
February	31,721.76	3.81		0.93
March	31,041.42	(2.14)		(1.24)
April	29,212.00	(6.06)	(3.46)	(7.22)
May	31,069.37	6.55		(1.15)
June	29,966.87	3.55		4.66

Index	30-Jun-19	31-Dec-18	YtD Change (%)
NSE 30 Index	1,255.68	1,417.15	(11.39)
NSE ASeM Index	782.29	793.81	(1.45)
NSE Banking Index	366.87	398.94	(8.04)
NSE CG Index	1,101.53	1,254.34	(12.18)
NSE Consumer Goods	622.33	748.83	(16.89)
NSE Industrial Index	1,087.80	1,237.88	(12.12)
NSE Insurance Index	123.75	126.48	(2.16)
NSE Oil & Gas Index	253.23	302.23	(16.21)
NSE Pension Index	1,058.27	1,207.46	(12.36)
NSE Premium Index	2,396.22	2,195.03	9.17

Source: NSE, VG Pensions Research



## Pension Industry News



### Data Recapture Exercise of Registered Contributors

#### Introduction

The creation and maintenance of a comprehensive, accurate and reliable database on pension matters is essential for the sustenance of the pension industry, the importance of which has been clearly highlighted by the mandate given to the National Pension Commission (The Commission) in Section 23 (e) of the PRA 2014. The directive of the National Identity Management Commission (NIMC) to all Government Agencies maintaining identity databases to provide standardize database has made it more imperative.

The Commission is desirous of getting the pension industry to align with the minimum standards set by NIMC and to ensure the uniqueness of RSA holders on the database of the Commission.

#### Objectives

The Data Recapture Exercise which will cover all active RSA holders and retirees on programmed withdrawal, have some of the following:

- The Data Recapture Exercise will be used to obtain complete and
- The Data Recapture Exercise will be used to obtain complete and accurate data of all RSA holders.
- It would enable the identification and elimination of multiple registrations from RSA Registration Database among others.

- The exercise will enable PFAs to capture the 10 fingerprints of their RSAs holders and their National Identity Number (NIN) to ensure compliance with NIMC's minimum bio data and other biometric requirements.

#### Modalities

- RSA holders will provide their data using the Enhanced Contributors Registration Form to the PFA and will make available the relevant supporting documents as will be demanded e.g. letter of employment, means of identification.
- Contributors are required to provide their National Identity Numbers (NIN) issued by NIMC which will be used by the Commission to obtain their biometrics from the agency.
- National Pension Commission has empowered PFAs to collect this information and encourage RSA holders to provide their NIN without any doubt.

#### Benefit of Data Recapture Exercise to Contributors

- This will resolve the issue where RSA holders have more than one PIN within the same PFA.
- Multiple registrations will be resolved by the Commission during the exercise
- This will give a clean database of contributors as clients will not be able to open more than one RSA account.
- It will amount to seamless documentation towards retirement thereby reducing waiting time.

## Recapture Exercise Frequently Asked Questions (FAQs)

### Why do I have to be recaptured?

There is a mandate from the National Pension Commission to create and maintain a comprehensive, accurate and reliable database. Hence, it is compulsory for all RSA holders and retirees.

### What do I require to be recaptured?

Your RSA PIN, NIN and a list of additional documents depending on your sector of employment.

### What if I do not know my PIN?

You are required to bring all your additional documents, our staff will use your information to ascertain your PIN

### Why do I need my NIN?

The mandate has emanated from PENCOM in collaboration with NIMC. It is to ensure that your records are correctly stored in our database

### What if I do not have NIN?

You are required to have your NIN. However, you can walk into any of NIMC offices nationwide & you will be enrolled and subsequently obtain your NIN.

### I am already retired & receiving my monthly pension, do I need to recapture?

Yes, the recapture exercise is for all holders of accounts in VG Pensions including RSA, AVC, and Retiree Account.

### I am currently outside the country & unable to come into your office, how can I do my recapture?

A web version is available to contributors that are unable to walk in to any of our offices, please visit: <https://tinyurl.com/vgpensions-recapture-com>

## Pension Asset and Membership Data

The Pension Asset and RSA Membership Data Q1 2019 reflected that 8,569,037 workers are registered under the pension scheme compared to 8,410,184 registered workers in Q4 2018 while the Pension Fund Asset under Management as at Q1 2019 stood at N9.03trn as against N8.63trn in Q4 2018.

FGN Bonds has the highest weight percentage of 49.37% of the total pension fund assets and closely followed by treasury bills with 21.44%

weight and local money market securities with 9.68% weight while foreign money market securities has the least with 0.25% weight.

Participants within the age distribution 30-39yrs have the highest percentage composition with 35.77% closely followed by participants within the age bracket of 40-49yrs and 50-59yrs with 28.12% and 18.02% respectively while participants above 65 years have the least percentage composition with 2.78%.

AGE GRADE AND SECTORIAL BREAKDOWN OF RSA REGISTRATIONS Q1 2019								
Age Range	Public Sector		Private Sector		Total		Grand Total	%
	Male	Female	Male	Female	Male	Female		
Less than 30 yrs	92,099	50,182	442,466	231,909	534,565	282,091	816,656	9.53
30 - 39 yrs	688,515	348,440	1,446,656	581,604	2,135,171	930,044	3,065,215	35.77
40 - 49 yrs	670,344	406,892	1,028,905	303,205	1,699,249	710,097	2,409,346	28.12
50 - 59 yrs	577,462	335,426	523,442	108,235	1,100,904	443,661	1,544,565	18.02
60 - 65 yrs	230,653	96,914	148,115	19,144	378,768	116,058	494,826	5.77
Above 65 yrs	111,973	31,958	85,619	8,879	197,592	40,837	238,429	2.78
<b>Total</b>	<b>2,371,046</b>	<b>1,269,812</b>	<b>3,675,203</b>	<b>1,252,976</b>	<b>6,046,249</b>	<b>2,522,788</b>	<b>8,569,037</b>	<b>100.00</b>

Data source: National Bureau of Statistics

## Update on Micro Pension Plan (MPP)

### Contribution Remittance Channels for MPP

#### 1. VG Pensions Mobile App



**How do I make Micro Pension Contribution using VG Pensions App?**

*Simple & Easier*

- Download the VG mobile App or update the existing VG App on your phone to the latest version
- Sign in with your user name and password
- Select "Make Payment" menu option
- Select Micro Pension Payment
- Type in the amount to be contributed
- Select online payment
- Type in your card number/details
- Supply your CVV
- You will be prompted to supply your PIN
- OTP will be sent to you by your bank
- Enter the OTP and your bank account will be debited while your pension account will be credited

Note: There will be a convenience fee

#### 2. UBA Branch Collection

You will need your RSA PIN for the remittance of pension contribution to our custodian's (UBA Pensions Custodian Ltd) account at any UBA Bank branch. Ask for Teller Staff handling InstantBill Pay.

#### 3. UBA USSD (\*919#) – This is for UBA account holders' only

#### 4. Chat Banking (LEO Messenger on Facebook) - This is for UBA account holders' only

### In the News – Veritas Glanvills educates NURTW members on benefits of Micro Pension

Veritas Glanvills Pension Limited has organised a sensitisation workshop in Lagos & Abuja to educate members of the National Union of Road Transport Workers, NURTW on the benefits of a micro pension. Speaking at the workshop, the Managing Director of Veritas Glanvills Pension Limited, Mr Godson Ukpevo stressed that enrolling in micro pension is necessary to escape old-age poverty. He said that the lack of saving and investment culture have posed a serious challenge and cause of the rising poverty rate in Nigeria.

Ukpevo said: "Retirees from the formal sector have enjoyed the benefits of pension for a very long time, even from the colonial days. Workers in the informal sector, on the other hand, have

been left in the cold except for a few that we're able to save and invest in assets that gave them money at old age or have children who are economically viable and willing to assist. Many hitherto self-employed persons have had to endure old age poverty after they stopped active work. Some laboured till very old age so that they can fend for themselves and their families." Explaining the importance of the scheme, Ukpevo said that it is profitable for many people to join the scheme which yields higher interest rate from the pool of contributions than personal savings. Read more at: <https://www.vanguardngr.com/2019/07/veritas-glanvills-educates-nurtw-members-on-benefits-of-micro-pension/>

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