



**Veritas**  
GLANVILLS PENSIONS  
PLC

# 2020 ANNUAL REPORT

Annual Report &  
Financial Statements

**Veritas**  
GLANVILLS PENSIONS

## Corporate Profile

**Veritas Glanvills Pensions (VG Pensions) Limited** formerly FUG Pensions, is a licensed Pension Fund Administrator managing Retirement Savings Accounts (RSA) of individuals and pension assets of institutions in the public and private sectors of the country.

VG Pensions is owned by long-standing financial corporates in Insurance, Veritas Kapital Assurance and Glanvills Enthoven & Co. Limited.

For over 14 years, VG Pensions has remained committed to providing exceptional client services, efficient benefit administration and high investment returns and growth in the pension funds under its management. We offer our clients superior value in Investment returns, IT solutions and operational efficiency:

### INVESTMENT

- High Returns on Investment (ROI) with constant growth in clients RSA Funds.
- High Rating among peers in investment returns.
- Safety of Funds - Our Investment team ensures that thorough analysis is done and set guidelines adhered to when taking investment decisions.
- Investment in Quality Assets.

### INFORMATION & TECHNOLOGY

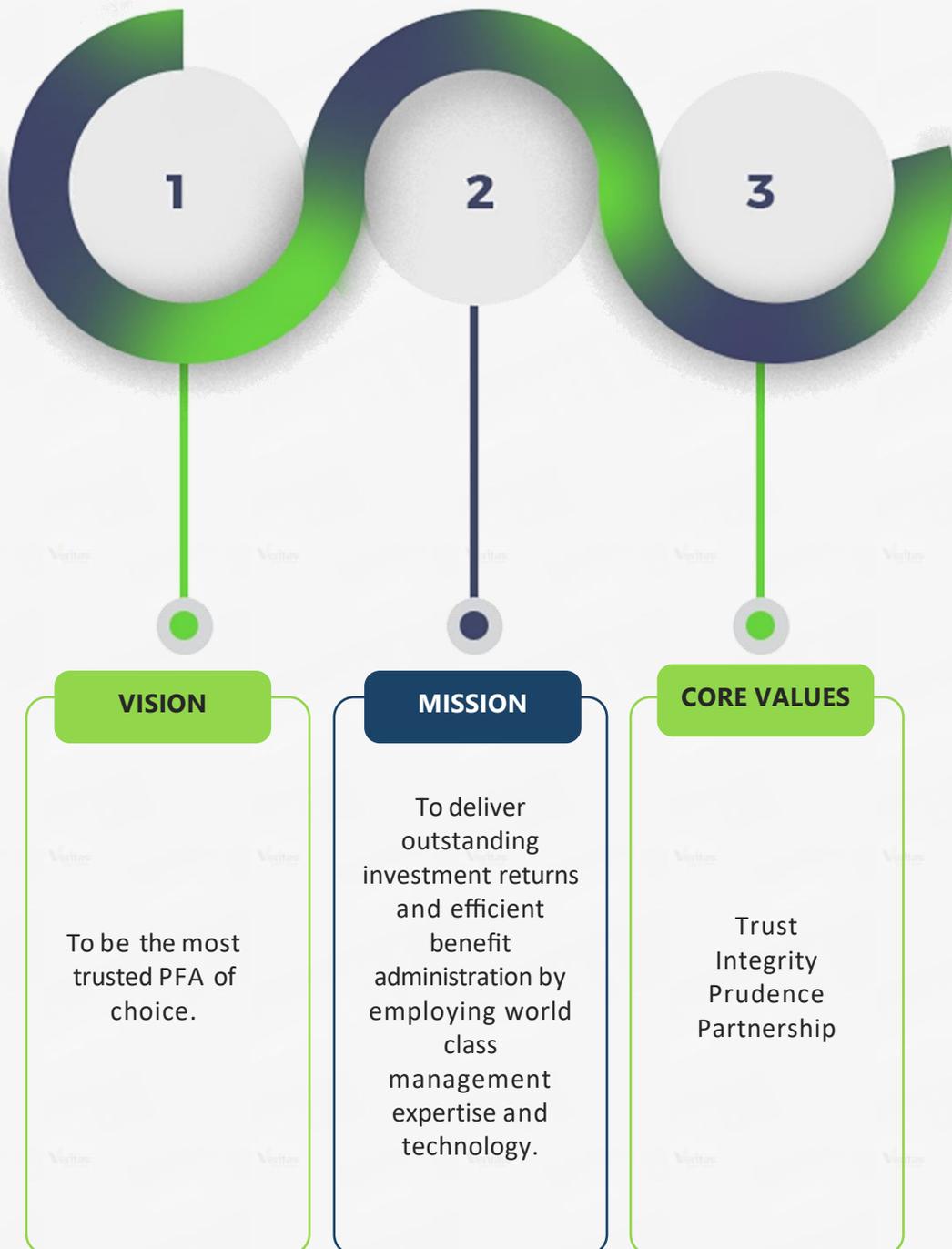
- Convenience - Seamless Self-Service Channels through VGP dedicated USSD platforms: \*1300# and \*7737\*13#.
- Deployment of an Ecosystem of Customer Engagement channels - Multi-lingua Contact Centre powered by Avaya, Mobile App, Online Portal, Online Chat etc.
- Deployment of one of the world's leading Cyber Security Softwares to protect our clients' data from Cyber-attacks and system intrusion.
- Adherence to best practices in Business Continuity and Disaster Recovery Management.
- Certification by the Nigerian Information and Data Protection Agency (NITDA).

### OPERATIONS

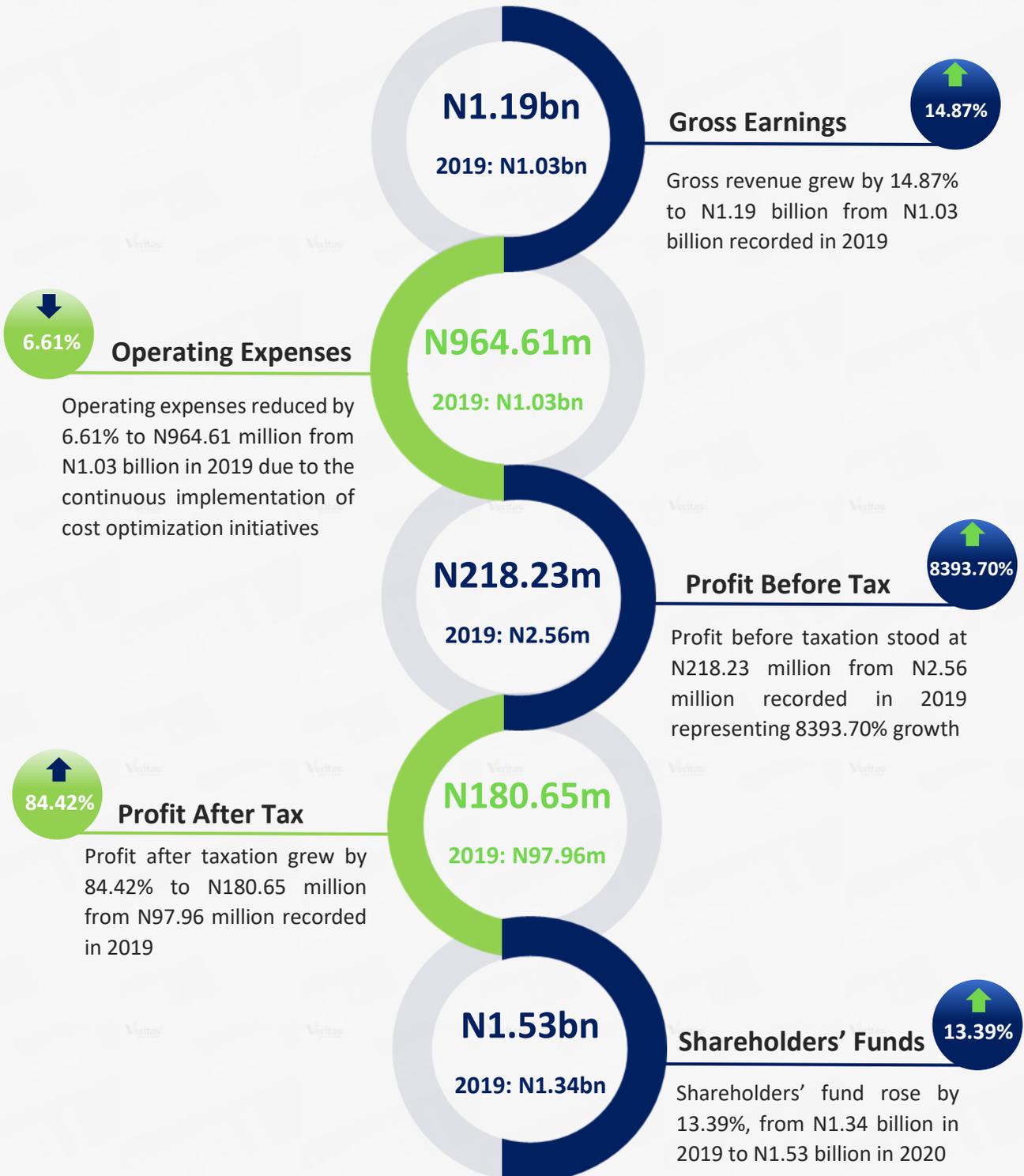
- Promptness, Speed & Accuracy.
- Empowerment of our staff in various locations to respond swiftly and professionally to benefit payment requests and all other enquiries from clients.
- Effective Relationship Management system.
- Quality Management System – ISO 9001:2015 Certified.
- Ensure that our clients' **Work Smart, Live Well and Retire Better.**

### Our Products and Services include:

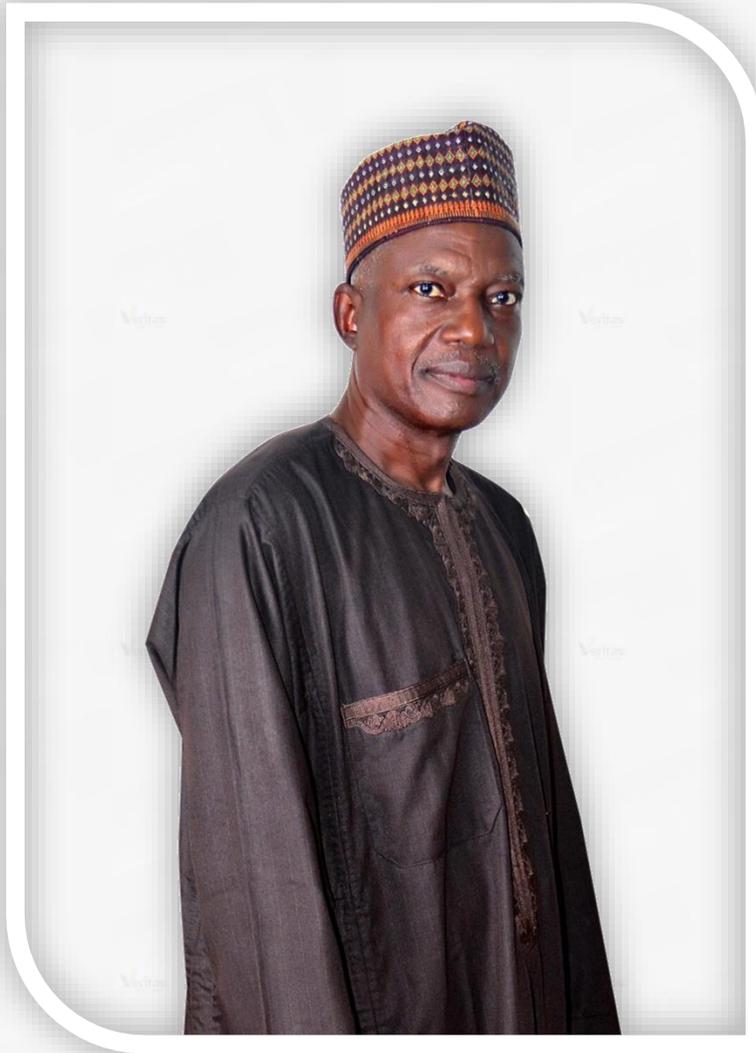
- Retirement Savings Account
- Retirement Benefit Administration
- Additional Voluntary Contribution
- Pension Advisory Services
- Micro Pension Plan
- Gratuity/Legacy Fund Management



## Highlights of Financial Performance



## CHAIRMAN'S STATEMENT



“  
*The year 2020 was a very challenging one occasioned by the Coronavirus (COVID-19) pandemic, which created major disruptions to business and non-business entities locally and internationally. However, our resilience and determination enabled us to weather the economic headwinds*  
”

Dear Esteemed Shareholders, Representatives of our Regulators, Representatives of our External Auditors, fellow Directors, ladies, and gentlemen. On behalf of the Board of Directors, it is my pleasure to welcome you all to the 14<sup>th</sup> Annual General Meeting of our Company, Veritas Glanvills Pensions Limited.

I would like to appreciate our highly respected shareholders for their unwavering support, and my colleagues on the Board for their commitment in directing the affairs of our company in these challenging times.

No doubt, the year 2020 was a very challenging one occasioned by the Coronavirus (COVID-19) pandemic, which created major disruptions to business and non-business entities locally and internationally and fundamentally changed our way of life.

Global GDP contracted by an estimated 4.3% in 2020 compared to a growth of 2.9% in 2019, according to the World Bank. The series of lockdowns and travel restrictions in several countries of the world triggered the grounding of aviation, hospitality, tourism among other industries, all of which negatively impacted the global economy.

On the domestic front, Gross Domestic Product (GDP) grew by 1.87 percent in Q1 2020 but contracted by 6.10 percent and 3.62 percent in Q2 and Q3, 2020, respectively according to the National Bureau of Statistics (NBS).

In response to the pandemic and as part of the effort to drive economic growth, the fiscal and monetary authorities introduced several interventions and stimulus packages to provide support to critical sectors of the economy and minimize the vulnerability of the economy. These actions helped in increasing economic activities as evidenced by the marginal growth of 0.11% in GDP in the fourth quarter of the year, effectively pulling the economy out of recession.

## **FINANCIAL RESULTS**

Despite the challenges in the operating environment, we were able to record improvement in our business performance during the year due to our resilience and determination. Our gross revenue grew by 14.87% to N1.19 billion from N1.03 billion recorded in 2019. Operating expenses reduced by 6.61% to N964.61 million from N1.03 billion in 2019 due to the continuous implementation of our cost optimization initiatives.

Profit before taxation stood at N218.23 million from N2.56 million recorded in 2019 representing 8393.70% growth. Profit after taxation grew by 84.42% to N180.65 million from N97.96 million recorded in 2019.

Shareholders' fund rose by 13.39%, from N1.34 billion in 2019 to N1.53 billion in 2020.

## **GOVERNANCE AND CHANGES IN BOARD COMPOSITION**

We continued our pursuit of high standards in corporate governance and business ethics during the year as our Board ensured provision of strategic direction and effective oversight of our business. The various Board Committees played vital roles in supporting the Board and Management in the discharge of their duties.

I would like to thank Mr. Adeyinka Sogunle, the Vice- Chairman who exited from the Board in September 2020 having served the Company meritoriously for more than ten years. I wish him success in all his future endeavours.

## **OUTLOOK FOR 2021**

I remain very optimistic about the future of this great Company as we continue to improve in all areas of our business and aim for greater success. I wish to thank my colleagues on the Board for their

strong support and also pay tribute to all our staff for their loyalty and contributions towards the sterling performance the organization recorded in 2020. Our people remain our greatest asset, and we will continue to invest in them as they continue to work tirelessly in achieving our corporate goals and objectives for 2021. We are well positioned to take advantage of the opportunities in the pension industry – the informal sector and the transfer window.

Distinguished shareholders, I want to thank you again for your great support and remarkable commitment during the 2020 business year. I would also like to take this opportunity to express my sincere appreciation to our customers for their continued patronage and trust in us.

Thank you and God bless you all.



**FAROUK LAWAL YOLA**  
**CHAIRMAN, BOARD OF DIRECTORS**

## MANAGING DIRECTOR'S REMARKS



*Dear Esteemed Shareholders, the Chairman and Members of the Board, Representatives of our Regulators and External Auditors, Ladies and Gentlemen. I am delighted to welcome you to the 14<sup>th</sup> Annual General Meeting of Veritas Glanvills Pensions Limited.*

## 2020 REVIEW

The 2020 financial year was characterized by unprecedented events caused by the ravaging effect of the Coronavirus (COVID-19) pandemic. Individuals, organizations, and governments have had to change their way of life. Many organizations for instance had to reconfigure their engagement with their customers by enhancing alternative channels. This expectedly accelerated the use of technology and innovative tools in dealing with the challenge posed by social distancing.

As a result of the pandemic and subsequent lockdown measures, Nigeria's GDP contracted by 1.9% in 2020 compared to a growth of 2.3% in 2019. The economy however, returned to positive territory in Q4 2020, recording 0.11% GDP growth due to several interventions and stimulus packages provided by the fiscal and monetary authorities to support critical sectors of the economy.

Inflationary pressures surged in 2020, from 12.13% in January to 15.75% by end of the year. Foreign exchange also witnessed a devaluation as the Central Bank of Nigeria ("CBN") devalued the currency by 24% at the official window to N379/US\$ from N306/US\$, while the Import & Export Window (IEW) rate depreciated by 9% to N395/US\$ by the end of the year, compared to N363 at the beginning of the year.

At the beginning of the year, Nigeria's external reserves stood at \$38.01billion, but it dropped to \$33.52billion by April 2020. It rose to \$36.60billion in May, before closing the year at \$35.37billion. The sharp fall in external reserves was mainly due to the crash in crude oil prices, increased foreign exchange intervention at the forex market and lower foreign portfolio investment inflows.

The Nigerian Stock Exchange (NSE) witnessed a bullish trend. The All-Share Index (ASI) opened at 26,842.07 index points but closed the year at 40,270.72, representing an appreciation of 50.02 per cent. Market capitalization grew by 62.49% from N12.958trillion at the start of the year and closed at N21.056trillion by end of the year. The outstanding performance of the market was supported by the relatively low yield in the fixed income market, which resulted in increased participation of domestic investors in the equities market.

The MPC of the Central Bank of Nigeria reviewed the Asymmetric corridor around the MPR from +200/-500 basis points to +100/-700 basis points. The MPR was also reviewed from 13.5% to 11.5%.

In summary, the economy took a hit during the year with slow but steady recovery expected in 2021 as activities pick up across key sectors.

## PENSION INDUSTRY REVIEW

The total membership of the pension schemes increased by 3.4% from 8.9 million as at 31<sup>st</sup> December, 2019 to 9.2 million as at 31<sup>st</sup> December, 2020. RSA holders with 9.1 million in number accounted for 98.9% of the total number. The Approved Existing Schemes (AES) and the Closed Pension Fund Administrators (CPFAs) accounted for 0.60% (40,951) and 0.16% (14,926) of the membership respectively.

Following the launch of the Micro Pension Plan (MPP) in 2019, all PFAs commenced the push to register clients under the new pension plan. Total industry registration stood at 62,463 as at 31<sup>st</sup> December 2020 from 39,686 as at 31<sup>st</sup> December 2019 representing 57.4% growth. It is expected that the MPP RSA registration will continue to grow with the sustained implementation of the Micro Pension Plan in 2021.

The total value of Pension Fund Assets was N12.31 trillion as at 31<sup>st</sup> December 2020. This comprises of N8.51 trillion for the RSA 'Active' Funds (i.e. RSA Funds I, II, III and V); N962.66 billion for the RSA Retiree Fund; N1.56 trillion for the CPFAs; and N1.27 trillion for the AES.

The long-awaited pension transfer window was opened on 16 November 2020. The transfer window allows RSA holders to move from one PFA to another once a year at no cost, in line with Section 13 of the Pension Reform Act of 2014.

## BUSINESS PERFORMANCE REVIEW

Our determined effort to grow our business and better manage our costs paid off positively for our company during the year as evidenced by the impressive financial results recorded in 2020.

Our gross revenue grew by 14.87% to N1.19 billion from N1.03 billion recorded in 2019. Operating expenses reduced by 6.61% to N964.61 million from N1.03 billion in 2019. Profit after taxation grew by 84.42% to N180.65 million from N97.96 million recorded in 2019 and Shareholders' fund rose by 13.39%, from N1.34 billion in 2019 to N1.53 billion in 2020.

## 2021 OUTLOOK

Although the economic environment is expected to remain challenging in 2021, we will remain focused on enhancing revenues and accelerating operational efficiency. Our priorities will be:

- Ramping up our customer acquisition through the transfer window opportunity
- Constant improvement in our channels with the provision of reliable platforms that support self-service functionalities and engender positive customer experience
- Cost Management – We will continue to strive for operational efficiency with cost optimization initiatives
- Leveraging on technology to deliver innovative solutions to our customers

- Enhancing our Risk Management capabilities to ensure that our customers and other stakeholders are protected from emerging threats, including cyber-attacks.

We know that the impressive performance recorded in 2020 would not have been possible without the collective effort of all stakeholders. I wish therefore to use this opportunity to thank our customers for their loyalty and the opportunity given us to manage their pension funds. I also thank our staff for

their dedication and commitment, and very importantly our Board for continually guiding us along the path of sustained growth.

As we look to 2021 and beyond, I am confident that our Company will sustain its positive momentum and continue to drive and deliver value to all its stakeholders.

**Thank you.**



**GODSON UKPEVO**  
**Managing Director/CEO**