Veritas
GLANVILLS PENSIONS

MANAGING DIRECTOR/CEO'S REVIEW



GODSON UKPEVO
MD/CEO

On behalf of our Management and Staff, I wish to welcome you our esteemed Shareholders, the Chairman and members of the Board, representatives of the National Pension Commission, our regulators, and the External Auditors to the 17th Annual General Meeting of our Company. Before reviewing our performance in 2024, I would give you a brief overview of the macroeconomic environment in which we operated during the year.

THE MACROECONOMIC ENVIRONMENT

2024 financial year was marked by significant global disruptions, driven by increased geopolitical tensions, supply chain disruptions, and high rate of inflation. Challenges such as the Russia-Ukraine conflict, prolonged US-China trade disputes, instability in the Middle East and security concerns in the Sahel collectively shaped the global economic landscape.

On the domestic front, the Nigerian economy faced substantial macroeconomic pressures, with inflation hitting a three-decade high of 34.80%, fuelled by the removal of petroleum subsidies, currency depreciation, and supply chain constraints. Food and core inflation peaked at 39.84% and 29.28%, respectively, while the Naira depreciated sharply by 68%, from N913.94/USD in December 2023 to N1,535.32/USD by December 31, 2024. The Central Bank of Nigeria adopted a firm monetary policy stance, raising the MPR by 875 basis points to 27.5%, alongside key reforms to strengthen the financial system. These included a bank recapitalization directive, an FX cash pooling framework for international oil companies, tighter limits on banks' net open positions, and the Electronic Foreign Exchange Matching System to improve transparency, liquidity, and curb speculative FX demands.

Despite these challenges, the economy demonstrated resilience, achieving real GDP growth of 3.84%, driven by both oil and non-oil sectors, with services, including financial services, accounting for 57.38% of GDP.

Similarly, the Nigerian equities market delivered an impressive performance in 2024. The NGX All Share Index (ASI) posted a strong return of 37.7% in 2024, reflecting broad investor confidence and market strength. Even more remarkable was the NGX Pension Index (Pen), which achieved a return of 39.5% during the year.

PENSION INDUSTRY REVIEW

According to PenCom, pension assets grew by 23%, rising from ₦18.36 trillion in 2023 to ₦22.51 trillion by December 2024. Membership also increased by 4%, from 10,191,400 in December 2023 to 10,582,299 in December 2024, reflecting continued confidence in the pension system and increased relevance of the Contributory Pension Scheme (CPS) as a dependable vehicle for retirement planning.

2024 FINANCIAL PERFORMANCE

Against the backdrop of a challenging economic and business environment, our Company continued to press forward, demonstrating resilience and clear strategic focus. Gross earnings grew by 17.6% from 2023 to N2.85 billion in 2024. Operating expenses rose 24.37% to N2.12 billion, driven largely by inflationary pressures. Profit before taxation was N724.0 million, reflecting a modest 1.36% increase, while shareholders' funds recorded a slight rise of 2.61%, reaching N6.49 billion in 2024.

As we move into the next financial year, VG Pensions remains committed to sustainable growth and delivery of more value to our stakeholders. We will continue to leverage innovative solutions, enhance service quality, and deepen engagement with our clients and partners.

APPRECIATION

At this point, we must express our profound gratitude to all our stakeholders for their unwavering support. To our shareholders and directors, your confidence, guidance, and steadfast commitment have been highly instrumental to our progress. To our regulators and other partners, we remain appreciative of your continued collaboration and engagement. And to our valued customers, your loyalty and trust inspire us every day to innovate, improve, and deliver exceptional value. Our special thanks also go to all our employees, whose dedication, professionalism, and hard work have helped the Company in navigating the very challenging operating environment and achieving the performance we have reported today.

Thank you all.



GODSON UKPEVO, OON
Managing Director/CEO