

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim
financial statements
for the six-month period ended 30 June 2022

Nigeria Sovereign Investment Authority
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For the six-month period ended 30 June 2022

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This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by Nigeria Sovereign Investment Authority during the interim reporting period.

Nigeria Sovereign Investment Authority
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General Information

	Name	Designation
Board of Directors	Mr Farouk Mohammed Gumel	Chairman
	Mr. Uche Orji [1]	Managing Director
	Mr. Aminu Umar-Sadiq [2]	Managing Director
	Mrs. Olubisi Makoju [3]	Executive Director
	Mr. Kola Owodunni [3]	Executive Director
	Mr. Babatunde Sobamowo	Non-executive Director
	Mr. Isiekwena Ikemefuna Louis	Non-executive Director
	Mr. Ali Gona Kadugum	Non-executive Director
	Mr. Kabir Suleiman Oniyangi	Non-executive Director
	Dr. Ogechi Paschal-Ejiogu	Non-executive Director

[1] Tenure ended in September 2022.

[2] Appointed as new Managing Director in October 2022.

[3] Appointed as Executive Director in October 2022.

Registered office
The Clan Place, 4th floor
Plot 1386A Tigris Crescent
Maitama
Abuja

Auditor
PricewaterhouseCoopers
Landmark Towers
5B Water Corporation Road
Victoria Island
Lagos

Secretary to the Authority
Mrs. Ezinwa Okoroafor

Fund custodians
JP Morgan Chase & Co (Global Custodian)
25 Bank Street
Canary Wharf
London, E14 5JP, United Kingdom

Stanbic IBTC Bank Limited (Local Custodian)
IBTC Place
2, Walter Carrington Crescent
Victoria Island
Lagos, Nigeria

Citibank Nigeria Limited (Local Custodian)
27, Kofo Abayomi Street
Victoria Island
Lagos, Nigeria

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
For the six-month period ended 30 June 2022
Directors' report

1 Financial statements

The directors of the Authority present their report on the affairs of Nigeria Sovereign Investment Authority ('the Authority' or 'NSIA'), together with the financial statements of the Authority and the subsidiaries (known as "the Group") and independent auditor's review report for the six-month period ended 30 June 2022.

2 Principal activities

The Authority was established by the Nigeria Sovereign Investment Authority (Establishment etc.) Act, 2011 to manage excess funds from the country's sale of crude oil. This is performed through three (3) funds; Stabilisation Fund (SF), Nigeria Infrastructure Fund (NIF) and the Future Generation Fund (FGF). The Authority commenced operations in October 2012.

There have been no material changes to the nature of the Groups's business from the prior period.

3 Operating results

The following is a summary of the Group and Authority's operating results for the period:

	Group 30 June 2022 N'000	Authority 30 June 2022 N'000
Total operating income	(3,491,557)	(3,004,620)
Total investment management and custodian fees	(358,849)	(191,635)
Impairment charge on financial assets	(504,377)	(504,376)
Total operating loss	(4,354,783)	(3,700,631)
Operating profit from infrastructure subsidiaries	1,020,110	-
Other income	3,307,638	3,195,235
Operating and administrative expenses	(3,550,942)	(2,481,035)
Interest expense	(1,529)	(1,529)
Share of profit of investments accounted for using the equity method	452,759	-
Loss for the period	(3,126,747)	(2,987,960)
Total comprehensive income for the period	1,349,942	(2,523,762)

NSIA and its Sustainability Outlook

There has been a global push since the end of the 20th century to improve the world's focus on the environment by employing both social and regulatory elements; to get institutions and people to act before reaching a critical tipping point. Environmental, Social, and Governance ("ESG") as a concept was crystallized in 2000 by the UN Global Compact, a sustainability framework. The goal of the framework was to discover ways to integrate ESG into financial and capital markets. It was expected that by embedding ESG factors into financial markets, it would lead to more viable markets, healthier governance, and improved societal outcomes. This was followed by initiatives such as the UN Sustainable Development Goals in 2015, and The Paris Climate Agreement in 2016 – all executed with the overarching aim to thwart 'dangerous' human interference with the environment and promote sustainability.

A focus on Climate Change and its Impact on Nigeria

Our planet is on the clock as climate change is becoming an existential threat requiring immediate action. According to climate change experts, continuing the current track of emissions is already starting to lead to further devastating consequences which will have long-term effects on how we live. Nigeria is already seeing the adverse impacts of climate change: extreme heat affecting millions, rising sea levels, erosion, and variable rainfalls. A 2013 report on low-carbon development by the World Bank projected that continuing the current emission trajectory will lead to a two-fold increase of Greenhouse Gases (GHGs) emissions by 2035. Emissions in Nigeria by year 2035 are expected from the power sector (56%), transport sector (28%), the oil & gas sector (12%) and agriculture and land use (4%).

In line with the Paris Agreement signed in 2015 and the Nationally Determined Contribution (NDC) submitted by Nigeria to the United Nations Framework Convention on Climate Change (UNFCCC), Nigeria has pledged to reduce its Greenhouse Gases (GHGs) emission by 20% by 2030. Nigeria aims to meet its set emission targets while unlocking significant environmental and economic benefits by ending gas flaring by 2030, introduction of Off-grid Solar Photovoltaics (PV), efficient gas generator, overall improvements in the electricity grid, innovative shifts in transportation, and climate smart agriculture and reforestation.

It is believed that organizations and institutions which can shift their focus from maximizing shareholder value to value creation for all stakeholders will be able to achieve long-term sustainability and that ESG mismanagement could lead to serious financial costs and reputational damage. Conversely, successfully managing ESG factors is an effective means to optimize risk management and safeguard the value of underlying assets. Hence, at Nigeria Sovereign Investment Authority (NSIA), we are aware of the impact of sustainable financing in the advancement of economic growth and development and through our investments under the Nigeria Infrastructure Fund ("NIF"), the Future Generations Fund ("FGF") and the Stabilization fund ("SF"), have contributed towards the attainment of certain sustainable development goals for Nigeria.

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
For the six-month period ended 30 June 2022

Directors' report

NSIA ESG Strategy

NSIA has three (3) primary approaches for considering ESG issues and these are being executed through our institutional activities, investment process, and partnerships. By way of current institutional practice, NSIA invested in Microsoft dynamics 365 which is an ERP software that allows interdepartmental engagements in an eco-friendly manner and promote covid-friendly working environment by adopting COVID-friendly contactless, role-based access control into its offices. As an improvement-driven organization, we shall continue to develop innovative methods to enhance our environmental, social, and economic performance through procurement, IT, Human Resources, etc evolving ESG policies, place greater focus on recycling and use of recycled material, and enhance adoption of eco-friendly technology. This will include a smart building management system, including eco-friendly heating, ventilation, and air conditioning (HVAC). Additionally, NSIA currently incorporates ESG in its investment process executed through an institutionalised policy across the value chain and actively seek partnerships with ESG conscious organizations such as IFC, AFDB, United Nations, World Bank, and others. NSIA for instance, joined the "One Planet Sovereign Wealth Fund Initiative" (OPSWF) - launched to accelerate the integration of climate change analysis into the management of large, long-term, and diversified asset portfolios.

The Authority will continue to take steps to build a sustainable organization by being accountable for reducing and reporting its own carbon footprint.

4 Objective

NSIA is an autonomous entity established under the laws of the Federal Republic of Nigeria with broad mandates to:

- a) enhance the development of Nigerian infrastructure
- b) provide stabilisation support in times of economic stress, and
- c) carry out such other activities as may be related to the above objects.


5 Governance and management

The Act establishes a Governing Council (the Council) for the Authority. The Council comprises the following:

- a) The President of Nigeria (who may be represented by the Vice-President);
- b) Governors of Nigeria's 36 States; and
- c) Eighteen other appointees, including:
 - (i) Attorney-General of the Federation;
 - (ii) Minister of Finance;
 - (iii) Minister in charge of the National Planning Commission.

6 Employee health, safety and environment

The Authority enforces strict health and safety rules and practices in the work environment, which are reviewed and tested regularly. The Authority provides medical insurance for its employees through designated hospitals and clinics. Fire prevention and fire-fighting equipment are installed at strategic locations within the Authority's premises.



Mrs. Ezinwa Okoroafor
General Counsel
PRCN/2016/NBA/0000015045

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
For the six-month period ended 30 June 2022
Statement of directors' responsibilities

The Nigeria Sovereign Investment Authority Act requires the preparation of quarterly reports of the financial affairs of the Authority and Group at the end of the period and of its profit or loss. The responsibility includes:

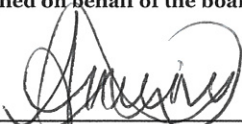
- a. ensuring that the Authority and Group keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Authority and Group and comply with the requirements of the Nigeria Sovereign Investment Authority Act;
- b. designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; and
- c. preparing the Authority and Group's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The directors accept responsibilities for the condensed consolidated and separate interim financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Nigeria Sovereign Investment Authority Act.

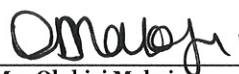
The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Authority and Group and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Authority will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the board of directors by:



Mr Aminu Umar-Sadiq
Managing Director
FRC/2021/003/00000025004



Mrs Olubisi Makoju
Director
FRC/2014/ICAN/00000005765

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
Consolidated statement of comprehensive income
For the three-month and six-month periods ended 30 June 2022

	Notes	Group			
		Six-month period ended 30 June		Three-month period ended 30 June	
		2022	2021	2022	2021
		N '000	N '000	N '000	N '000
Interest income	6	22,461,747	18,404,942	12,069,590	8,909,919
Investment income	7	2,085,086	1,292,885	1,059,476	501,072
Interest income on financial assets at FVTPL	8	575,327	436,657	179,831	253,887
Net gain/(loss) on financial assets	9	(30,706,904)	53,881,978	(21,007,797)	43,587,318
Net foreign exchange gain	10	2,093,187	31,705,669	(969,074)	31,479,138
Total operating income		(3,491,557)	105,722,131	(8,667,974)	84,731,334
Investment management fees		(257,010)	(439,388)	(60,352)	(227,266)
Global and local custodian fees		(101,839)	(106,650)	(53,451)	(75,318)
Total investment management and custodian fees		(358,849)	(546,038)	(113,803)	(302,584)
Impairment write back/(charge) on financial assets	11	(504,377)	(1,127,494)	5,261	563,747
Total operating (loss)/profit		(4,354,783)	104,048,599	(8,776,516)	84,992,497
Infrastructure operating revenue	12	1,383,041	925,097	719,319	434,522
Infrastructure operating expenses	13	(362,931)	(289,279)	(538,141)	(77,737)
Operating profit/(loss) from infrastructure subsidiaries		1,020,110	635,818	181,178	356,785
Other income		3,307,638	536,202	2,996,670	353,025
Operating and administrative expenses		(3,550,942)	(3,285,618)	(1,970,195)	(1,177,946)
Interest expense		(1,529)	(190,627)	(772)	(190,627)
Share of profit of investments accounted for using the equity method	20	452,759	1,341,972	217,515	696,370
(Loss)/Profit before taxation from continuing operations		(3,126,747)	103,086,346	(7,352,120)	85,030,104
Taxation		-	-	-	-
(Loss)/Profit for the period from continuing operations		(3,126,747)	103,086,346	(7,352,120)	85,030,104
Profit from discontinued operations		-	6,008,706	-	(230,760)
(Loss)/Profit for the period		(3,126,747)	109,095,052	(7,352,120)	84,799,344
Other comprehensive income:					
Items that may be reclassified to profit or loss					
Net change in fair value of financial assets at FVOCI	25.2	464,198	(119,841)	281,332	(14,067)
Share of other comprehensive loss of associates and joint venture	20	(9,486)	(186,214)	(44,037)	(42,712)
Exchange differences on translating foreign operations	25.3	4,021,977	2,012,978	(8,914)	5,436,184
Other comprehensive income for the period		4,476,689	1,706,923	228,381	5,379,405
Total comprehensive income for the period		1,349,942	110,801,975	(7,123,739)	90,178,749
Profit/(loss) attributable to:					
Owners of NSIA		(3,114,981)	109,146,126	(7,344,760)	84,806,742
Non-controlling interest		(11,766)	(51,074)	(7,360)	(7,398)
Total comprehensive income/(loss) attributable to:		(3,126,747)	109,095,052	(7,352,120)	84,799,344
Owners of NSIA		1,361,708	110,853,049	(7,116,379)	90,186,147
Non-controlling interest		(11,766)	(51,074)	(7,360)	(7,398)
		1,349,942	110,801,975	(7,123,739)	90,178,749

The accompanying notes on pages 11 to 23 form an integral part of these condensed consolidated and separate financial statements.

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
Separate statement of comprehensive income
For the three-month and six-month periods ended 30 June 2022

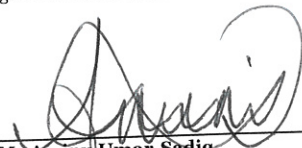
	Notes	Authority			
		Six-month period ended 30 June		Three-month period ended 30 June	
		2022	2021	2022	2021
		N '000	N '000	N '000	N '000
Interest income	6	22,931,829	18,319,358	12,599,186	8,856,129
Investment income	7	2,096,211	1,390,802	1,065,563	634,529
Interest income on financial assets at FVTPL	8	249,678	436,657	114,594	253,887
Net gain/(loss) on financial assets	9	(30,370,523)	53,870,678	(20,187,330)	43,617,016
Net foreign exchange gain	10	2,088,185	31,472,144	(968,748)	31,245,613
Total operating income		(3,004,620)	105,489,639	(7,376,735)	84,607,174
Investment management fees		(89,796)	(335,645)	(33,094)	(123,523)
Global and local custodian fees		(101,839)	(106,650)	(53,451)	(75,527)
Total investment management and custodian fees		(191,635)	(442,295)	(86,545)	(199,050)
Impairment write back on financial assets	11	(504,376)	(1,127,494)	5,261	(563,747)
Total operating profit		(3,700,631)	103,919,850	(7,458,019)	83,844,377
Other income		3,195,235	419,021	2,900,470	236,396
Operating and administrative expenses		(2,481,035)	(2,095,968)	(1,413,107)	(1,110,962)
Interest expense		(1,529)	-	(772)	-
Profit before taxation		(2,987,960)	102,242,903	(5,971,428)	82,969,811
Taxation		-	-	-	-
(Loss)/Profit for the period		(2,987,960)	102,242,903	(5,971,428)	82,969,811
Other comprehensive income:					
Items that may be reclassified to profit or loss					
Net change in fair value of financial assets at FVOCI	25.2	464,198	(119,841)	950,364	(14,067)
Other comprehensive income for the period		464,198	(119,841)	950,364	(14,067)
Total comprehensive income for the period		(2,523,762)	102,123,062	(5,021,064)	82,955,744

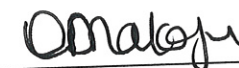
The accompanying notes on pages 11 to 23 form an integral part of these condensed consolidated and separate financial statements.

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
Statements of financial position as at 30 June 2022


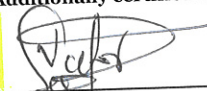
		Group	Group	Authority	Authority
		30 June	31 December	30 June	31 December
		2022	2021	2022	2021
		N '000	N '000	N '000	N '000
	Notes				
Assets					
Cash and cash equivalents	16	42,080,873	269,602,956	40,484,321	268,782,415
Investment securities	14	789,943,999	571,633,505	752,683,291	536,385,478
Loans and receivables	15	8,417,393	15,467,411	9,059,412	16,850,542
Restricted balances and other assets	17	108,463,905	340,764,438	136,001,701	362,353,574
Inventories	18	168,698	142,746	-	-
Investment in subsidiaries	19	-	-	9,000	9,000
Investments accounted for using the equity method	20	25,123,283	24,680,009	12,278,115	12,278,115
Right of use asset	21	219,645	251,270	47,262	73,414
Property and equipment	22	4,980,870	5,161,049	590,508	513,481
Intangible assets	23	119,740	125,695	66,588	84,820
Total assets		979,518,406	1,227,829,079	951,220,198	1,197,330,839
Liabilities					
Other liabilities	24	58,453,580	308,102,429	44,422,765	288,009,644
Total liabilities		58,453,580	308,102,429	44,422,765	288,009,644
Equity					
Equity attributable to equity holders of parent					
Contribution by Government	25.0	347,375,000	347,375,000	347,375,000	347,375,000
Retained earnings	25.1	564,491,162	567,617,909	553,248,894	556,236,854
Fair value reserve	25.2	6,344,350	5,889,638	6,173,539	5,709,341
Foreign currency translation reserve	25.3	2,991,870	(1,030,107)	-	-
		921,202,382	919,852,440	906,797,433	909,321,195
Non-controlling interest	25.4	(137,556)	(125,790)	-	-
		921,064,826	919,726,650	906,797,433	909,321,195
Total equity and liabilities		979,518,406	1,227,829,079	951,220,198	1,197,330,839

Signed on behalf of the Board of Directors on, October 2022 by:


Mr Aminu Umar-Sadiq
 Managing Director
 FRC/2021/003/00000025004


Mrs Olubisi Makoju
 Director
 FRC/2014/ICAN/00000005765

Additionally certified by:

 
Mr. Victor Sesere
 Finance Manager

The accompanying notes on pages 11 to 23 form an integral part of these condensed consolidated and separate financial statements.

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
Statement of changes in equity
For the six-month period ended 30 June 2022

Authority	Contribution by Government N '000	Fair value reserve N '000	Retained earnings N '000	Total equity N '000
Balance at 1 January 2021	347,375,000	5,368,333	413,624,795	766,368,128
Profit for the period	-	-	102,242,903	102,242,903
Net change in fair value of financial assets at FVOCI	-	(119,841)	-	(119,841)
Total other comprehensive income for the period	-	(119,841)	-	(119,841)
Total comprehensive income for the period	-	(119,841)	102,242,903	102,123,062
Balance at 30 June 2021	347,375,000	5,248,492	515,867,698	868,491,190
Authority 30 June 2022				
Authority	Contribution by Government N '000	Fair value reserve N '000	Retained earnings N '000	Total equity N '000
Balance at 1 January 2022	347,375,000	5,709,341	556,236,854	909,321,195
Profit for the period	-	-	(2,987,960)	(2,987,960)
Net change in fair value of financial assets at FVOCI	-	464,198	-	464,198
Total other comprehensive income for the period	-	464,198	-	464,198
Total comprehensive income for the period	-	464,198	(2,987,960)	(2,523,762)
Balance at 30 June 2022	347,375,000	6,173,539	553,248,894	906,797,433

The accompanying notes on pages 11 to 23 form an integral part of these condensed consolidated and separate financial statements.

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
Statement of cash flows
For the six-month period ended 30 June 2022

	Notes	Group 30 June 2022 N '000	Group 30 June 2021 N '000	Authority 30 June 2022 N '000	Authority 30 June 2021 N '000
Cash flow from operating activities					
Profit/(loss) before income tax		(3,126,747)	103,086,346	(2,987,960)	102,242,903
Adjustments to reconcile profit/(loss) before tax to net cash flow from operating activities:					
Depreciation charge for the period	22	378,636	424,749	125,221	98,927
Amortisation of intangible assets	23	45,691	113,758	18,232	18,232
Interest income	6	(22,461,747)	(18,404,942)	(22,931,829)	(18,319,358)
Investment income	7	(2,085,086)	(1,292,885)	(2,096,211)	(1,390,802)
Interest income on financial assets at FVTPL	8	(575,327)	(436,657)	(249,678)	(436,657)
Net foreign exchange gains	10	(2,093,187)	(31,705,669)	(2,088,185)	(31,472,144)
Unrealised gain/(loss) on financial instruments at FVTPL		39,577,718	(53,981,658)	39,150,637	(53,970,358)
Impairment losses	11	504,377	1,127,494	504,376	1,127,494
Interest expense		1,529	190,627	1,529	-
Share of profit/(loss) from associate and joint venture	20	(452,759)	(1,341,972)	-	-
Movements in operating assets/ liabilities:					
Inventories		(25,952)	(45,206)	-	-
Other assets		232,300,533	116,948,878	226,351,873	117,587,165
Other liabilities		(249,648,849)	(101,780,152)	(243,586,879)	(105,174,004)
Cash (used in)/generated from operations		(7,661,170)	12,902,711	(7,788,874)	10,311,398
Tax paid		-	-	-	-
Net cash generated from/(used) in operating activities		(7,661,170)	12,902,711	(7,788,874)	10,311,398
Cash flows from investing activities					
Purchase of property and equipment	22	809,267	(1,237,500)	202,249	(57,503)
Purchase of other intangible assets	23	10,971	(64,671.00)	-	-
Payment for financial assets at fair value		(269,212,347)	(404,520,881)	(261,375,034)	(399,250,848)
Proceeds from sale of financial assets at fair value		27,236,705	272,757,079	23,065,312	271,661,941
Acquisition of financial assets held at amortised cost		(8,499,477)	(82,601,796)	(8,921,248)	(82,601,796)
Proceeds from maturity and sale of financial assets held at amortised cost		7,613,088	114,608,910	7,613,088	111,446,652
Investment and interest income received		13,840,515	6,529,542	10,585,137	6,627,459
Dividend received		-	182,222	-	-
Net cash (used)/generated in investing activities		(228,201,279)	(94,347,095)	(228,830,498)	(92,174,095)
Cash flows from financing activities					
Interest expense		(1,529)	(190,627)	(1,529)	-
Net cash generated/(used) in financing activities		(1,529)	(190,627)	(1,529)	-
Net cash movement for the period					
		(235,863,978)	(81,635,011)	(236,620,901)	(81,862,698)
Cash and cash equivalents at beginning of period		269,602,956	145,257,520	268,782,415	144,447,965
Net exchange gains/(losses) on cash and cash equivalents		8,341,895	(1,007,201)	8,322,807	(991,400)
Cash and cash equivalents at period end		42,080,873	62,615,308	40,484,321	61,593,867
Cash and cash equivalents comprise:					
Cash in hand		317,468	447,320	1,937	2,739
Bank balances		9,813,078	27,172,237	8,543,598	26,602,000
Placements with financial institutions		31,950,327	34,995,751	31,938,786	34,989,128
Total cash and cash equivalents		42,080,873	62,615,308	40,484,321	61,593,867

The accompanying notes on pages 11 to 23 form an integral part of these condensed consolidated and separate financial statements.

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1 General Information

Nigeria Sovereign Investment Authority ('NSIA' or 'the Authority') was established to receive, manage and invest the excess funds from the country's sale of crude oil in a diversified portfolio of medium and long-term investments. The Authority was setup by the Nigeria Sovereign Investment Authority Act, which was signed in May 2011 and was allocated an initial USD 1 billion in seed capital. The Authority has received three additional capital contribution tranches totalling USD750 million after the initial contribution. The Authority commenced operations in October 2012.

The Authority is domiciled in Nigeria and its registered office address is the Clan Place, 4th floor, Plot 1386A, Tigris Crescent, Maitama, Abuja.

To actualise its mandate, the Authority has established three separate "ring-fenced" funds. They include Stabilisation Fund (SF), Future Generations Fund (FGF) and Nigeria Infrastructure Fund (NIF). The investment activities of the funds are managed as follows:

Fund	Investment managers
Stabilisation Fund (SF)	UBS Global Asset Management Limited, Smith Graham & Co, Income Research + Management, Lombard Ordier Income Fund
Nigeria Infrastructure Fund (NIF)	In-house Management Team, Fund for Agricultural Finance in Nigeria (FAFIN)
Future Generations Fund (FGF)	Cevian, Edgbaston Investment Partners, Somerset, Marathon, Prince Street Capital, AQR, Goldman Sachs Asset Management, The Canyon Capital Realisation Fund (Cayman) Ltd, CNPG, Palestra Capital, Brasidas Asia, Alpstone Global Macro Fund, Holocene Advisors Ltd, Sachem Head Capital, Morgan Stanley Fund of Funds, NAYA FUND, Vanguard, Invesco QQQ, Fundsmith, John Street Systematic Limited, Bayview, Z Capital Partners, Healthcare Royalty Partners, Xenon, Helios Investors, FAFIN, Actis Africa, Africa Capital Alliance, RWC Emerging Market Fund, Abraaj, Unigestion, Reverence Capital, Healthcare Royalty Partners L.P., EFG Global Equity Conviction Fund, G Squared, Xenon Private Equity, Artisan Fund, Alitheia IDF, Greenspring Associates, Helios, Euro Choice Secondary, Lombard Odier, BlueBox, LifeSci Venture, CardinalStone Capital, Gsquared, The Rise Fund, Petershill Private Equity, Verod Growth Fund, Synergy Private Equity, Ingressive Capital, Tidal Ventures LP, Gateway Fund, StepStone VC Secondaries Fund, Falko Regional Aircraft, Whitehorse Liquidity Partners (Offshore) LP, Actis Africa Real Estate Fund.

2 Structure and content

The financial statements comprise:

- (a) A condensed consolidated and separate statements of financial position at the end of the period;
- (b) A condensed consolidated and separate statements of comprehensive income for the period;
- (c) A condensed consolidated and separate statements of changes in equity for the period;
- (d) A condensed consolidated and separate statements of cash flows for the period;
- (e) Notes, comprising a summary of significant accounting policies and other explanatory information.

3 Basis of preparation

3.1 Statement of compliance

The condensed consolidated and separate financial statements of Nigeria Sovereign Investment Authority (NSIA) have been prepared in accordance with International Financial Reporting Standards (IFRS) on Interim financial information (IAS 34), including International Accounting Standards and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) applicable to companies reporting under IFRS. Further standards may be issued by the International Accounting Standards Board (IASB) and may be subject to the interpretations issued by the IFRIC.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by Nigeria Sovereign Investment Authority during the interim reporting period.

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3.2 Accounting policy

The Group has consistently applied the accounting policies of the previous financial year and corresponding interim reporting period.

New Standards, amendments and Interpretations

The financial reporting standards, amendments and interpretations that became effective in the current year (2022) include;

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020, and
- Reference to the Conceptual Framework – Amendments to IFRS 3

The Group did not make any changes to its accounting policies as it is not affected by the amendments listed above.

4 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

4.1 Approach to risk management

With a global outlook, the Group's strategy for managing risks is to understand risk within the invested universe and the externalities that can affect this, with the aim of monitoring, controlling and mitigating against undesired events.

The Group has adopted, wherever possible, recommended best practice in the identification, evaluation and cost effective control of risks to ensure, as far as possible, that they are eliminated or reduced to a level that is acceptable to the Authority. The Group's Risk Framework seeks to explain the Authority's underlying approach to risk management, documents the roles and responsibilities of the Board of Directors, Risk Management department and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures.

4.2 Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group, resulting in a financial loss to the Group. It arises principally from debt securities held, trade receivables and advances, and also from cash and cash equivalents.

4.2.1 Management of credit risk

The Group's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting credit standards, hence the Group only deals with counterparties that meet set credit ratings.

4.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Group.

4.3.1 Management of liquidity risk

The Group's approach to managing liquidity is to have sufficient funds to meet its liabilities, as and when due, without incurring undue losses or risking damage to the Group's reputation. The Group manages its liquidity risk by maintaining cash levels to fund short term operating expenses.

The table below shows the Group's current cash levels:

	Group	Group	Authority	Authority
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	N '000	N '000	N '000	N '000
Cash in hand	317,468	107,362	1,937	4,592
Bank balances	9,813,078	265,167,097	8,543,598	264,449,326
Money market placements	31,950,327	4,328,497	31,938,786	4,328,497
Total cash and cash equivalents	42,080,873	269,602,956	40,484,321	268,782,415

4.4 Market risk

Market risk is the risk of loss from unfavorable changes in the fair values of financial instruments caused by adverse moves in market variables, such as foreign exchange rates, interest rates, equity prices, commodity prices, credit spreads and implied volatilities of the market rates. Market risk could result in a loss of earning and/or capital to the Group. The Group is exposed to market risk through its proprietary investments and can experience capital erosion from its own direct investments in the market.

With regards to investments in certain asset classes, the Group's potential exposure can be categorised into two: namely, traditional investments and alternative investments. Traditional investments include cash, listed equity and fixed income instruments. Alternative investments are the real estate assets, private equity, hedge funds, unquoted securities and equities which are generally less liquid than traditional investments. Currently, the asset classes being referred to as alternative investments are the private equity, hedge funds, unquoted securities and infrastructure projects.

The Group's market risk framework includes:

- Market risk - comprising equity prices, interest rate, interest basis and currency risks;
- Valuation risk - which derives from the valuation methodology chosen for unlisted assets. A critical associated risk is that which relates to the valuation model. The Group has exposure to valuation risk through its investments in private equity investments as well as other alternative instruments and project development.

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The Group manages market risk by actively controlling positions taken by investment managers in accordance with the investment strategy for each fund. The investment strategy outlines permissible asset classes, asset allocation limits and other position limits according to the portfolio risk appetite and risk profile. Exceptions are escalated and investment managers are expected to provide a plan of action that would bring portfolios within limits.

The identification, measurement and management of market risk is categorised as follows:

4.4.1 Trading assets/Financial assets

Trading assets are carried at fair value using publicly available market rates for traded securities. Positions are monitored regularly and performance measured to relevant benchmarks.

4.4.2 Non-trading assets/ Non-financial assets

Key performance measures are set and a robust monitoring and reporting framework is put in place to monitor performance of the Authority's investment in alternative and unlisted securities.

4.4.3 Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency.

The Group has an investment in a foreign operation, whose net assets are exposed to foreign currency translation risk as a result of the translation of its financial statements from the operation's functional currency to the Group's presentation currency. Non-monetary financial assets are not exposed to foreign exchange risk in accordance with the standards. Currency exposure arising from the net assets of the Group's foreign subsidiary is managed primarily through cash and cash equivalents denominated in the relevant foreign currencies.

4.4.4 Interest rate risk

Interest rate risk is the risk of loss to net interest income (NII) arising from changes in market interest rates on rate sensitive assets and liabilities.

Net interest income sensitivity

There are two types of scenarios that give rise to interest rate risk. These are where the Group holds variable rate instruments susceptible to cash flow interest rate risk due to a change in market interest rates or the Group holds debts instruments measured at fair value which will be exposed to fair value interest rate risk. The Group holds debts instruments measured at fair value which are exposed to fair value interest rate risk. The table below shows the impact of interest rate changes (increase/decrease) on the Group's fixed interest financial assets carried at fair value and the effect on comprehensive income.

	Group 30 June 2022 N '000	Group 30 June 2021 N '000	Authority 30 June 2022 N '000	Authority 30 June 2021 N '000
FVTPL investments (US treasury notes)	23,289,890	23,780,267	23,289,890	23,780,267
FVTPL investments (Fixed income products)	16,702,200	26,149,510	16,615,772	26,149,510
	39,992,090	49,929,777	39,905,662	49,929,777

Net interest income sensitivity

30 June 2022

(All amounts are in thousands of Naira)

	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	(1,999,604)	(1,995,283)
Impact on total comprehensive income	+5%	1,999,604	1,995,283

30 June 2021

(All amounts are in thousands of Naira)

Impact on total comprehensive income	-5%	(2,496,489)	(2,496,489)
Impact on total comprehensive income	+5%	2,496,489	2,496,489

4.4.5 Equities securities price risk

The Group is exposed to equity securities price risk because of investments held by the Group and recognised on the consolidated statement of financial position at FVOCI. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

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5 Fair value hierarchy

The Group classifies financial instruments measured at fair value in the investment portfolio according to the following hierarchy:

Level	Fair value input description	Financial instruments
Level 1	Quoted prices (unadjusted) from active markets	Quoted instruments
Level 2	Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)	Equity instruments quoted in over-the counter (OTC) markets
Level 3	Inputs that are not based on observable market data (that is, unobservable inputs)	Unquoted equity instruments and debt instruments

Unquoted equity instruments and debt instruments are measured in accordance with the International Private Equity and Venture Capital valuation guidelines with reference to the most appropriate information available at the time of measurement.

The following tables analyse within the fair value hierarchy the Group's financial assets (by class) measured at fair value at 30 June 2022. All fair value measurements disclosed are recurring fair value measurements.

Group

30 June 2022

Financial assets at FVOCI

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
NG Clearing Ltd	-	-	1,078,317	1,078,317
The Infrastructure Corporation of Nig Ltd.	-	-	100,000	100,000
MTN securities and Bridge Academies Limited	3,235,318	-	2,294,128	5,529,446
	3,235,318	-	3,472,445	6,707,763

31 December 2021

Financial assets at FVOCI

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
NG Clearing Ltd	-	-	1,078,317	1,078,317
The Infrastructure Corporation of Nig Ltd.	-	-	100,000	100,000
MTN securities and Bridge Academies Limited	2,771,120	-	2,284,558	5,055,678
	2,771,120	-	3,462,875	6,233,995

Authority

30 June 2022

Financial assets at FVOCI

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
NG Clearing Ltd	-	-	1,078,317	1,078,317
The Infrastructure Corporation of Nig Ltd.	-	-	100,000	100,000
MTN securities	3,235,318	-	-	3,235,318
	3,235,318	-	1,178,317	4,413,635

Authority

31 December 2021

Financial assets at FVOCI

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
NG Clearing Ltd	-	-	1,078,317	1,078,317
The Infrastructure Corporation of Nig Ltd.	-	-	100,000	100,000
MTN securities	2,771,120	-	-	2,771,120
	2,771,120	-	1,178,317	3,949,437

Financial assets at fair value through profit or loss

Group

30 June 2022

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Currency swap	-	375,039,984	-	375,039,984
Private equity investments	-	-	132,620,086	132,620,086
Hedge fund and long only equity investments	-	-	142,833,727	142,833,727
Nigeria Infrastructure Debt Fund	-	4,662,742	-	4,662,742
Fixed income products	-	16,702,200	-	16,702,200
US treasury notes	-	23,289,890	-	23,289,890
	-	419,694,816	275,453,813	695,148,629

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Group				
31 December 2021				
	Level 1	Level 2	Level 3	Total
	N '000	N '000	N '000	N '000
Currency swap	-	114,135,963	-	114,135,963
Private equity investments	-	-	133,654,884	133,654,884
Hedge fund and long only equity investments	31,784,479	-	143,303,848	175,088,327
Nigeria Infrastructure Debt Fund	1,579,957	-	-	1,579,957
Fixed income products	-	23,929,441	-	23,929,441
US treasury notes	-	29,622,608	-	29,622,608
	33,364,436	167,688,012	276,958,732	478,011,180
Authority				
30 June 2022				
	Level 1	Level 2	Level 3	Total
	N '000	N '000	N '000	N '000
Currency swap	-	375,039,984	-	375,039,984
Private equity investments	-	-	97,780,111	97,780,111
Hedge funds and long only equity investments	-	-	142,833,727	142,833,727
Nigeria Infrastructure Debt Fund	-	4,662,742	-	4,662,742
US treasury notes	-	16,615,772	-	16,615,772
Fixed income products	-	23,289,890	-	23,289,890
	-	419,608,388	240,613,838	660,222,226
Authority				
31 December 2021				
	Level 1	Level 2	Level 3	Total
	N '000	N '000	N '000	N '000
Currency swap	-	114,135,963	-	114,135,963
Private equity investments	-	-	101,196,167	101,196,167
Hedge funds and long only equity investments	30,703,576	-	144,384,751	175,088,327
Nigeria Infrastructure Debt Fund	1,579,957	-	-	1,579,957
US treasury notes	-	23,929,441	-	23,929,441
Fixed income products	-	29,622,608	-	29,622,608
	32,283,533	167,688,012	245,580,918	445,552,463

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices as at 30 September 2019. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

(b) Financial instruments in level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. They include investments in equity securities that are not traded in an active market but for which a trading platform exists on which a price can be determined for which market participants would pay in order to purchase the asset as at the reporting date i.e. at the Over-the-Counter alternative markets.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value financial instruments include quoted market prices or dealer quotes for similar instruments.

(c) Financial instruments in level 3

Level 3 inputs are unobservable inputs that have been applied in valuing the respective asset or liability. The determination of what constitutes observable requires significant judgment by the Authority. The Authority considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. There were no transfers between levels during the period.

Investments in hedge funds and private equity funds measured at FVOCI

In determining the fair value of these investments, the Authority relies on the valuation as reported in the latest available financial statements and/or capital account statements provided by the investment manager, unless the Authority is aware of reasons that such a valuation may not be the best approximation of fair value. In such cases, the Authority reserves the right to assign a fair value to such investments which differs from the one reported by the investment manager.

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The following table presents the changes in level 3 instruments for the period ended 30 June 2022 for financial assets measured at fair value.

	Group 30 June 2022 N '000	Group 31 December 2021 N '000	Authority 30 June 2022 N '000	Authority 31 December 2021 N '000
Financial assets measured at FVOCI - Bridge Academies Limited, NG Clearing and Infraco Ltd				
Opening balance	3,362,875	2,491,546	1,178,317	1,081,666
Additions in the period	-	-	-	100,000
Disposal in the period	-	-	-	-
Fair value movement	-	744,886	-	(3,349)
Exchange difference	15,268	126,443	-	-
Closing balance	3,378,143	3,362,875	1,178,317	1,178,317
Financial assets at fair value through profit or loss - Private equity				
Opening balance	133,654,884	87,717,248	101,196,167	64,174,315
Additions in the period	7,549,479	36,394,563	3,902,545	27,919,840
Disposals, repayments and distributions received	(4,979,930)	(13,290,295)	(4,698,823)	(11,355,891)
Fair value (loss)/gain	(4,017,638)	14,539,788	(3,033,069)	14,000,532
Exchange gain	413,291	8,293,580	413,291	6,457,371
Closing balance	132,620,086	133,654,884	97,780,111	101,196,167
Financial assets at fair value through profit or loss - Hedge funds				
Opening balance	175,088,327	119,429,965	175,088,327	119,429,965
Additions in the period	12,499,105	41,290,320	12,499,105	41,290,320
Disposals, repayments and distributions received	(16,131,309)	(13,154,635)	(16,131,309)	(13,154,635)
Fair value (loss)/gain	(29,391,478)	14,941,905	(29,391,478)	14,941,905
Exchange gain	769,081	12,580,772	769,081	12,580,772
Closing balance	142,833,727	175,088,327	142,833,727	175,088,327

Sensitivity analysis of fair value movements for level 3 financial assets

The table below shows the sensitivity analysis of fair value movements for level 3 financial assets measured at FVTPL:

Financial assets at fair value through profit or loss
30 June 2022

(All amounts are in thousand of Naira)

	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	1,670,456	1,621,227
Impact on total comprehensive income	+5%	(1,670,456)	(1,621,227)

31 December 2021

(All amounts are in thousand of Naira)

	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	(726,989)	(700,027)
Impact on total comprehensive income	+5%	726,989	700,027

There were no level 3 instruments classified at FVOCI

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6 Interest income

	Group				Authority			
	Six-month period ended		Three-month period ended		Six-month period ended		Three-month period ended	
	30 June		30 June		30 June		30 June	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Interest income on fixed deposits	2,434,243	2,413,275	1,106,551	1,272,434	2,277,939	2,353,183	1,037,932	1,254,112
Interest income on open market operation bills	19,604,014	15,950,250	10,716,670	7,597,255	19,604,014	15,950,250	10,716,670	7,597,255
Interest income on Eurobonds	361,934	-	195,377	-	361,934	-	195,377	-
Interest income on loans	21,423	39,398	7,133	39,398	647,821	3,956	605,355	3,956
Interest income on bank balances	40,133	2,019	43,859	832	40,121	1,969	43,852	806
	22,461,747	18,404,942	12,069,590	8,909,919	22,931,829	18,319,358	12,599,186	8,856,129

7 Investment income

	Group				Authority			
	Six-month period ended		Three-month period ended		Six-month period ended		Three-month period ended	
	30 June		30 June		30 June		30 June	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Investment income from securities	2,085,086	1,292,885	1,059,476	501,072	2,096,211	1,390,802	1,065,563	634,529
	2,085,086	1,292,885	1,059,476	501,072	2,096,211	1,390,802	1,065,563	634,529

8 Interest income on financial assets at FVTPL

	Group				Authority			
	Six-month period ended		Three-month period ended		Six-month period ended		Three-month period ended	
	30 June		30 June		30 June		30 June	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Interest income on US treasury notes	127,500	280,777	98,356	154,360	127,500	280,777	98,356	154,360
Interest income from fixed income products	447,827	155,860	81,475	99,527	122,178	155,860	16,238	99,527
	575,327	436,637	179,831	253,887	249,678	436,637	114,594	253,887

9 Net gain/(loss) on financial assets

	Group				Authority			
	Six-month period ended		Three-month period ended		Six-month period ended		Three-month period ended	
	30 June		30 June		30 June		30 June	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Net gain on financial assets at fair value through profit or loss (Note 9.1)	(30,706,904)	53,881,978	(21,007,797)	43,593,126	(30,370,523)	53,870,678	(20,187,330)	43,622,824
Net gain on US treasury notes and fixed income products	-	-	-	(5,808)	-	-	-	(5,808)
	(30,706,904)	53,881,978	(21,007,797)	43,587,318	(30,370,523)	53,870,678	(20,187,330)	43,617,016

9.1 Net gain on financial assets at fair value through profit or loss (FVTPL)

	Group				Authority			
	Six-month period ended		Three-month period ended		Six-month period ended		Three-month period ended	
	30 June		30 June		30 June		30 June	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Unrealised (loss)/gain on financial swap	(4,300,442)	36,436,946	(7,225,977)	30,952,425	(4,367,070)	36,426,946	(7,292,605)	30,952,425
Realised gain/(loss) on financial swap	5,627,308	(184,166)	5,785,600	(172,370)	5,627,308	(184,166)	5,785,600	(172,370)
Fair value changes on private equity, hedge funds and other securities	(35,277,276)	17,664,712	(20,488,572)	12,822,976	(34,783,567)	17,543,412	(19,601,551)	12,852,674
Net gain/(loss) on sale of equity instruments	3,243,506	84,486	971,152	(9,905)	3,152,806	84,486	971,226	(9,905)
	(30,706,904)	54,001,978	(21,007,797)	43,593,126	(30,370,523)	53,870,678	(20,187,330)	43,622,824

10 Net foreign exchange gain

	Group				Authority			
	Six-month period ended		Three-month period ended		Six-month period ended		Three-month period ended	
	30 June		30 June		30 June		30 June	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Net foreign exchange gain	2,093,187	31,705,669	(969,074)	31,479,138	2,088,185	31,472,144	(968,748)	31,245,613
	2,093,187	31,705,669	(969,074)	31,479,138	2,088,185	31,472,144	(968,748)	31,245,613

11 Impairment charge/(write back) on financial assets

	Group				Authority			
	Six-month period ended		Three-month period ended		Six-month period ended		Three-month period ended	
	30 June		30 June		30 June		30 June	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Financial assets at amortized cost	(144,307)	(318,016)	(17,783)	245,731	(144,307)	(318,016)	(17,783)	245,731
Other assets	(300,065)	(809,478)	23,044	(809,478)	(300,065)	(809,478)	23,044	(809,478)
	(504,372)	(1,127,494)	5,261	(563,747)	(504,372)	(1,127,494)	5,261	(563,747)

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12 Revenue from infrastructure subsidiaries investments	Group				Authority			
	Six-month period ended		Three-month period ended		Six-month period ended		Three-month period ended	
	30 June		30 June		30 June		30 June	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Revenue from healthcare services	1,383,041	925,097	719,319	434,522	-	-	-	-
	1,383,041	925,097	719,319	434,522	-	-	-	-
Revenue from healthcare services represents the revenue from provision of medical consultations and related services								
13 Expense from infrastructure subsidiaries investments	Group				Authority			
	Six-month period ended		Three-month period ended		Six-month period ended		Three-month period ended	
	30 June		30 June		30 June		30 June	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	
Expenses on healthcare services	(362,931)	289,279	(538,141)	77,737	-	-	-	-
	(362,931)	289,279	(538,141)	77,737	-	-	-	-
14 Investment securities	Group		Group		Authority		Authority	
	30 June		31 December		30 June		31 December	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Financial assets measured at amortised cost			14.1	88,087,607	87,388,330	88,047,430	86,883,578	
Financial assets measured at FVOCI			14.2	6,707,763	6,233,995	4,413,635	3,949,437	
Financial assets at fair value through profit or loss			14.3	695,148,629	478,011,180	660,222,226	445,552,463	
				789,943,999	571,633,505	752,683,291	536,365,478	
14.1 Financial assets measured at amortised cost	Group		Group		Authority		Authority	
	30 June		31 December		30 June		31 December	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Eurobond	13,028,565	7,613,088			13,028,565	7,613,088		
Nigerian treasury Bills								
Fixed deposits	75,819,720	80,348,808			75,736,739	79,844,056		
	88,848,285	87,961,896			88,765,304	87,457,144		
Impairment /expected credit loss	(760,678)	(573,566)	14.1.1	(760,678)	(573,566)	(717,874)	(573,566)	
	88,087,607	87,388,330			88,047,430	86,883,578		
Maturity analysis:								
Current	88,087,607	87,388,330			88,047,430	86,883,578		
Non-current	-	-			-	-		
	88,087,607	87,388,330			88,047,430	86,883,578		
14.1.1 Impairment /expected credit loss	Group		Group		Authority		Authority	
	30 June		31 December		30 June		31 December	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
As at beginning of period	573,566	636,031			573,566	636,031		
Write back for expected credit losses	(1,334,244)	(62,465)			(1,291,440)	(62,465)		
As at end of period	(760,678)	573,566			(717,874)	573,566		
14.2 Financial assets measured at FVOCI	Group		Group		Authority		Authority	
	30 June		31 December		30 June		31 December	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Equity instruments								
NG Clearing Limited	1,078,317	1,078,317			1,078,317	1,078,317		
The Infrastructure Corporation of Nig. Limited	100,000	100,000			100,000	100,000		
MTN securities and Bridge Academies Limited	5,529,446	5,055,678			3,235,318	2,771,120		
	6,707,763	6,233,995			4,413,635	3,949,437		
Maturity analysis:								
Non-current	6,707,763	6,233,995			4,413,635	3,949,437		
	6,707,763	6,233,995			4,413,635	3,949,437		
14.3 Financial assets at fair value through profit or loss	Group		Group		Authority		Authority	
	30 June		31 December		30 June		31 December	
	2022	2021	2022	2021	2022	2021	2022	2021
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Currency swap	375,939,984	114,135,963			375,939,984	114,135,963		
Private equity investments	132,620,086	133,654,884			97,780,111	101,196,167		
Hedge fund and long only equity	142,833,727	175,088,327			142,833,727	175,088,327		
Nigeria Infrastructure Debt Fund	4,662,742	1,579,957			4,662,742	1,579,957		
Fixed income products	16,702,200	29,622,608			16,615,772	29,622,608		
US treasury notes	23,289,890	23,929,441			23,289,890	23,929,441		
	695,148,629	478,011,180			660,222,226	445,552,463		
Maturity analysis:								
Current	415,032,074	167,688,012			414,945,646	167,688,012		
Non-current	280,116,555	310,323,168			245,276,580	277,864,451		
	695,148,629	478,011,180			660,222,226	445,552,463		

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15 Loans and receivables

	Group 30 June 2022 N '000	Group 31 December 2021 N '000	Authority 30 June 2022 N '000	Authority 31 December 2021 N '000
Stop gap fund to Presidential Infrastructure Development Funds (PIDF)	-	10,357,535	-	10,357,534
Intercompany loans [1]	-	-	9,114,066	6,654,551
Loans to Metrowaves Sports & Infra Ltd.	4,615,819	4,235,412	-	-
Loans to Kasi Cloud Limited	3,463,396	-	-	-
Loans to Babban Gona Farmer Services Nigeria Ltd.	537,583	1,072,849	-	-
	8,616,798	15,666,796	9,114,066	17,012,085
Impairment /Expected Credit loss	(199,495)	(199,385)	(54,654)	(161,543)
Carrying amount	8,417,393	15,467,411	9,059,412	16,850,542
Maturity analysis:				
Current	-	-	611,171	-
Non-current	8,417,393	15,467,411	8,448,241	16,850,542
	8,417,393	15,467,411	9,059,412	16,850,542

[1] The intercompany loans include Authority's loans of N3.28 billion to LUTH Advanced Medical Services Limited, N1.67 billion to AKTH Advanced Medical Diagnostics Limited and N1.70 billion to FMCU Advanced Medical Diagnostics Limited, N1.25 billion to NSIA Motorways Investment Company and No.6 billion to Panda Agriculture Properties Management Ltd

16 Cash and cash equivalents

	Group 30 June 2022 N '000	Group 31 December 2021 N '000	Authority 30 June 2022 N '000	Authority 31 December 2021 N '000
Cash on hand	317,468	107,362	1,937	4,592
Bank balances	9,813,078	265,167,097	8,543,598	264,449,326
Money market placements	31,950,327	4,328,497	31,938,786	4,328,497
	42,080,873	269,602,956	40,484,321	268,782,415

17 Restricted balances and other assets

	Group 30 June 2022 N '000	Group 31 December 2021 N '000	Authority 30 June 2022 N '000	Authority 31 December 2021 N '000
Financial assets:				
Other receivables	91,276,590	261,530,631	83,308,121	262,342,582
Account receivables	2,612,087	59,776,886	2,158,304	54,725,380
Intercompany receivables	-	-	52,143,083	46,311,759
Cost incurred on behalf of the Federal Government of Nigeria	16,118,660	16,118,660	-	-
Restricted balance	-	4,109,871	-	213,835
	110,007,337	341,536,048	137,609,508	363,593,556
Impairment /expected credit loss	(1,831,120)	(1,019,785)	(1,829,270)	(1,362,313)
Total financial assets	108,176,217	340,516,263	135,780,238	362,231,243
Non-financial assets:				
Prepayment	287,688	248,175	221,463	122,331
	108,463,905	340,764,438	136,001,701	362,353,574
Maturity analysis:				
Current	108,463,905	301,458,541	136,001,701	323,047,676
Non-current	-	39,305,897	-	39,305,897
	108,463,905	340,764,438	136,001,701	362,353,573

18 Inventories

	Group 30 June 2022 N '000	Group 31 December 2021 N '000	Authority 30 June 2022 N '000	Authority 31 December 2021 N '000
Raw materials	-	-	-	-
Finished goods	168,698	142,746	-	-
	168,698	142,746	-	-
Maturity analysis:				
Current	168,698	142,746	-	-
	168,698	142,746	-	-

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19 Investments in subsidiaries

	Authority 30 June 2022 N '000	Authority 31 December 2021 N '000
At the beginning of the period	895,797	895,797
Impairment on investment in KG Brussels	(886,797)	(886,797)
At the end of the period	9,000	9,000

19.1 Information on subsidiary entities controlled by the Authority

Name of entity	Place of business/ Country of incorporation	% of ownership interest		Carrying amount	
		30 June 2022	31 December 2021	30 June 2022 N '000	31 December 2021 N '000
NSIA Motorways Investment Company (NMIC)	Nigeria	99.99%	99.99%	1,000	1,000
KG Brussels LP	USA	100.00%	100.00%	-	-
FGF Private Equity Co. Limited	Nigeria	99.99%	99.99%	1,000	1,000
FGF Investments Limited	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Agriculture Investment Company	Nigeria	99.99%	99.99%	1,000	1,000
FGF PE Beta Limited	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Property Investment Company Limited	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Power Investment Company Limited	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Healthcare Development and Investment Company Limited	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Investment Management Company Limited	Nigeria	100.00%	100.00%	1,000	1,000
				9,000	9,000

20 Investments accounted for using the equity method

The amounts recognised in the statement of financial position are as follows;

	Group 30 June 2022 N '000	Group 31 December 2021 N '000	Authority 30 June 2022 N '000	Authority 31 December 2021 N '000
Associates and joint ventures	25,123,283	24,680,009	12,278,115	12,278,115

The amounts recognised in the statement of comprehensive income are as follows for Associates and joint ventures

The table below shows a detailed movement of this balance:

	Group 30 June 2022 N '000	Group 31 December 2021 N '000	Authority 30 June 2022 N '000	Authority 31 December 2021 N '000
At the beginning of the period	24,680,010	19,371,488	12,278,115	10,614,990
Additions during the period ¹	-	1,663,125	-	1,663,125
Share of profit of associate and joint venture	452,759	4,038,065	-	-
Share of fair value reserves of associate and joint venture	(9,486)	(210,446)	-	-
Dividend received	-	(182,222)	-	-
At the end of the period	25,123,283	24,680,010	12,278,115	12,278,115
Maturity analysis:				
Non-current	25,123,283	24,680,010	12,278,115	12,278,115

¹This relates to a joint venture investment in Multi-purpose Industrial Platform Limited in September 2021 by NSIA Agriculture Investment Company Limited, a subsidiary of NSIA and OCP Africa.

21 Right of use asset

	Group 30 June 2022 N '000	Group 31 December 2021 N '000	Authority 30 June 2022 N '000	Authority 31 December 2021 N '000
Opening balance	251,270	285,395	73,414	66,495
Depreciation expense	(31,625)	(34,125)	(26,152)	6,919
	219,645	251,270	47,262	73,414

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22 Property and equipment

Group	Buildings	Plant and machinery	Furniture and fittings	Motor vehicles	Computer equipment	Office equipment	Assets under construction	Total
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Cost								
As at 1 January 2021	1,570,071	2,930,735	370,885	697,241	236,282	811,328	50,749	6,667,290
Transfers	-	50,749	-	-	-	-	(50,749)	-
Additions	24,137	21,128	23,866	206,063	46,942	150,513	-	472,640
As at 31 December 2021	1,594,208	3,002,612	394,741	903,304	283,224	961,841	-	7,139,930
As at 1 January 2022	1,594,208	3,002,612	394,741	903,304	283,224	961,841	-	7,139,931
Additions in the period	-	-	71,481	217,151	-	12,718	507,918	809,267
Disposals	(507,918)	(98,556)	-	-	(4,335)	-	-	(610,808)
As at 30 June 2022	1,086,290	2,904,056	466,222	1,120,455	278,890	974,559	507,918	7,338,390
Accumulated depreciation								
As at 1 January 2021	44,990	450,995	160,423	348,616	190,393	40,664	-	1,236,081
Charge for the year	41,815	319,634	71,169	151,390	29,397	129,396	-	742,802
As at 31 December 2021	86,805	770,629	231,592	500,006	219,790	170,060	-	1,978,883
As at 1 January 2022	86,805	770,629	231,592	500,006	219,790	170,060	-	1,978,883
Charge for the period	20,782	135,982	39,034	104,073	14,075	64,691	-	378,636
As at 30 June 2022	107,588	906,611	270,626	604,078	233,865	234,751	-	2,357,520
Carrying amount								
As at 30 June 2022	978,702	1,997,445	195,595	516,377	45,025	739,808	507,918	4,980,870
As at 31 December 2021	1,507,403	2,231,983	163,149	403,298	63,434	791,781	-	5,161,047

Authority	Furniture and fittings	Motor vehicles	Computer equipment	Office equipment	Total
	N '000	N '000	N '000	N '000	N '000
Cost					
As at 1 January 2021	217,614	637,347	236,282	2,691	1,093,934
Additions in the year	11,076	206,063	22,292	-	239,430
As at 31 December 2021	228,690	843,410	258,574	2,691	1,333,364
As at 1 January 2022	228,690	843,410	258,574	2,691	1,333,364
Additions in the period	2,848	199,401	-	-	202,249
As at 30 June 2022	231,538	1,042,811	258,574	2,690	1,535,612
Accumulated depreciation					
As at 1 January 2021	106,958	331,032	178,701	1,990	618,681
Charge for the year	30,035	139,714	31,223	229	201,202
As at 31 December 2021	136,993	470,746	209,924	2,219	819,883
As at 1 January 2022	136,993	470,746	209,924	2,219	819,883
Charge for the period	15,252	95,801	14,059	110	125,222
As at 30 June 2022	152,245	566,547	223,983	2,329	945,105
Carrying amount					
As at 30 June 2022	79,292	476,263	34,591	362	590,508
As at 31 December 2021	91,696	372,663	48,649	472	513,481

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23 Intangible assets			Group	Authority
Software - 30 June 2022			N '000	N '000
Cost				
Balance at 1 January 2022			376,647	176,873
Additions in the period			39,735	-
Balance at 30 June 2022			416,382	176,873
Amortisation				
Balance at 1 January 2022			250,951	92,053
Charge for the period			45,691	18,232
Balance at 30 June 2022			296,642	110,285
Carrying amount				
Balance at 30 June 2022			119,740	66,588
Software - 31 December 2021				
Cost				
Balance at 1 January 2021			365,676	176,873
Additions			10,971	-
Balance at 31 December 2021			376,647	176,873
Amortisation				
Balance at 1 January 2021			152,131	55,589
Charge for the year			98,820	36,464
Balance at 31 December 2021			250,951	92,053
Carrying amount				
Balance at 31 December 2021			125,696	84,820
24 Other liabilities				
	Group	Group	Authority	Authority
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	N '000	N '000	N '000	N '000
Financial liability:				
Trade payables	1,191,137	1,092,940	813,062	1,058,971
Intercompany payables	-	-	949,213	313,566
Other payables	39,073,369	286,514,515	42,409,369	285,615,958
Payables to the Federal Government of Nigeria in respect of the Second Niger Bridge	17,412,659	19,001,075	-	-
Lease Liability	-	71,243	-	71,243
Tax liabilities	397,330	395,672	-	-
Accruals	379,085	1,029,984	251,121	949,907
	58,453,580	308,102,429	44,422,765	288,009,644
Maturity analysis				
Current	58,453,580	308,102,429	44,422,765	288,009,644
	58,453,580	308,102,429	44,422,765	288,009,644
25 Equity and reserves				
	Group	Group	Authority	Authority
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	N '000	N '000	N '000	N '000
Contribution by Government	347,375,000	347,375,000	347,375,000	347,375,000
Retained earnings	564,491,162	567,617,909	553,248,894	556,236,854
Fair value reserve	6,344,350	5,889,638	6,173,539	5,709,341
Foreign currency translation reserve	2,991,870	(1,030,107)	-	-
Non-controlling interest	(137,556)	(125,790)	-	-
	921,064,826	919,726,650	906,797,433	909,321,195
25.1 Retained earnings				
	Group	Group	Authority	Authority
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	N '000	N '000	N '000	N '000
Opening balance	567,617,909	414,000,617	556,236,854	413,624,795
Profit for the period	(3,126,747)	153,617,292	(2,987,960)	142,612,059
	564,491,162	567,617,909	553,248,894	556,236,854

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25.2 Fair value reserve

The fair value reserve includes the net cumulative change in the fair value of equity instruments. The amounts are never transferred to profit or loss under IFRS 9 even when the investments are derecognised.

	Group 30 June 2022 N '000	Group 31 December 2021 N '000	Authority 30 June 2022 N '000	Authority 31 December 2021 N '000
Opening balance	5,889,638	5,010,841	5,709,341	5,368,333
Change in value of financial assets measured at FVOCI	464,198	1,089,243	464,198	341,008
Share of change in value of financial assets measured at FVOCI - (Associates)	(9,486)	(210,446)	-	-
	<u>6,344,350</u>	<u>5,889,638</u>	<u>6,173,539</u>	<u>5,709,341</u>

25.3 Foreign currency translation reserve

The currency translation reserve includes the net cumulative change in the foreign gains or (losses) arising from translation of the financial statements of subsidiaries with US Dollars as functional currency into the Group's presentation currency. The amounts presented within other comprehensive income are the gross amounts as the companies are exempted from income taxes.

	Group 30 June 2022 N '000	Group 31 December 2021 N '000
Opening balance	(1,030,107)	6,429,941
Exchange differences arising during the period	4,021,977	(7,460,048)
	<u>2,991,870</u>	<u>(1,030,107)</u>

25.4 Non-controlling interest (NCI)

	Group 30 June 2022 N '000	Group 31 December 2021 N '000
Opening balance	(125,790)	(68,885)
Loss attributable to NCI	(11,766)	(56,905)
	<u>(137,556)</u>	<u>(125,790)</u>

26 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. NSIA is the ultimate parent of the Group.

As disclosed in the investment in subsidiaries, associates and joint venture notes, NSIA Motorways Investment Company (NMIC), KG Brussels LP, FGF Private Equity Co. Limited, FGF Investments Limited, FGF PE Beta Limited, NSIA Agriculture Investment Company (NAIC), NAIC-NPK Limited, NSIA Property Investment Company Limited, NSIA Power Investment Company Limited, NSIA Healthcare Development and Investment Company Limited, NSIA Investment Management Company, FMCU Advanced Medical Diagnostics Ltd, LUTH Advanced Medical Services Ltd, AKTH Advanced Medical Diagnostics Limited, Lagos-Ibadan Expressway Development Company Limited, Abuja-Kano Expressway Development Company Limited, East-West Expressway Development Company Limited, Mambilla Hydropower Development Company Limited are subsidiaries and sub-subsidiaries of the Authority and are related parties in accordance with the applicable standards.

NMRC, FHFPL, Panda Agricultural Properties Management (Mauritius) Limited and Pandagric Novum Limited are associates of the Authority.

'UFF-NAIC Agriculture Investment Company (Mauritius) Limited, Panda Agricultural Properties Management Ltd, Panda Agricultural Properties Management (Mauritius) Limited, Multipurpose Industrial Platform Limited (MIP), and Infrastructure Credit Guarantee Company Limited (INFRACREDIT) are jointly controlled by other entities and are therefore also related parties.

27 Events after the reporting period

In the third quarter of 2022, NSIA and Vitol entered into an agreement to establish a joint venture to invest in a range of high integrity, socially impactful, carbon avoidance and removals projects with an initial commitment of USD50million.

In October 2022, Mr. Aminu Umar-Sadiq was appointed the new Managing Director of NSIA while Mr. Kolawole Owodunni and Mrs. Bisi Makoju were appointed executive directors of NSIA.



REPORT ON REVIEW OF FINANCIAL STATEMENTS

TO THE MEMBERS OF THE NIGERIA SOVEREIGN INVESTMENT AUTHORITY

Introduction

We have reviewed the accompanying consolidated and separate interim statements of financial position of Nigeria Sovereign Investment Authority (“the Authority”) and its subsidiaries (together “the Group”) as at 30 June 2022 and the related consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, and statement of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation and fair presentation of these condensed consolidated and separate interim financial information in accordance with the International Accounting Standard 34 “Interim financial reporting”. Our responsibility is to express a conclusion on these consolidated and separate interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated and separate interim financial statements do not give a true and fair view of the financial position of the Group and the Authority as at 30 June 2022, and of its financial performance and its cash flows for the six-month period then ended in accordance with the International Accounting Standard 34 “Interim Financial Reporting”.

Tom Adeleke

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

5 December 2022

Engagement Partner: Tolulope Adeleke
FRC/2014/ICAN/0000008319