

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate
interim financial statements
for the 9 months period ended 30 September 2021

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
For the 9 month period ended 30 September 2021
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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 2020 and any public announcements made by Nigeria Sovereign Investment Authority during the interim reporting period.

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
For the 9 month period ended 30 September 2021
General Information

Board of Directors	Mr Farouk Mohammed Gumel (Chairman)* Mr. Uche Orji (Managing Director) Mr. Aminu Umar-Sadiq (Executive Director) Mr. Babatunde Sobamowo (Non-executive Director)* Mr. Isiekwena Ikemefuna Louis (Non-executive Director)* Mr. Ali Gona Kadugum (Non-executive Director)* Mr. Oniyangi Kabir Sulaiman (Non-executive Director)* Mrs. Stella Ojekwe-Onyejeli (Executive Director)*** Mr. Olajide Zeitlin (Chairman)** Mr. Urum Kalu Eke, MFR (Non-executive Director)** Ms. Halima Buba (Non-executive Director)** Mr. Asue Ighodalo (Non-executive Director)** Mr. Bello Maccido (Non-executive Director)** Ms. Lois Laraba Machunga-Disu (Non-executive Director)** Mr lke Chioke (Non-executive Director)**** Dr. Ogechi Paschal-Ejiogu (Non-executive Director)*****
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

The tenure of the last Board of directors ended on 11 May 2021. The new Board members were inaugurated on 1 September 2021.

*New Board members inaugurated on 1 September 2021.

**Tenure ended in May 2021

***Tenure ended in October 2021

****Resignation effective on 20 September 2021

*****New non-executive director appointed in January 2022

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
For the 9 month period ended 30 September 2021
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 nine-month period ended 30 September 2021.

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 September 2021 N'000	Authority 30 September 2021 N'000
Interest and investment income	31,564,299	31,509,542
Net foreign exchange gain	33,851,372	33,618,248
Investment management and custodian fees	(1,204,040)	(1,024,659)
Profit before taxation	113,374,016	112,205,949
Total comprehensive income for the period	117,271,197	112,239,434

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.

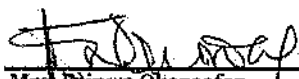
5 Governance and management

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
 Secretary to the Authority
 PRCN/2016/NBA/00000015045

Nigeria Sovereign Investment Authority
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For the 9 month period ended 30 September 2021
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 unaudited 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. Uche Orji
Managing Director
FRC/2014/IODN/00000007036



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

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
Consolidated statement of comprehensive income
For the three and nine months period ended 30 September 2021

	Notes	Group			
		Nine months ended 30 September		Three months ended 30 September	
		2021	2020	2021	2020
		N '000	N '000	N '000	N '000
Interest income	6	28,992,062	26,276,460	10,587,120	13,588,633
Investment income	7	1,849,855	3,682,280	556,970	2,504,961
Interest income on financial assets at FVTPL	8	722,382	515,519	285,725	222,192
Gain/(loss) on financial assets	9	49,851,444	37,275,346	(4,030,534)	36,955,592
Net foreign exchange gain	10	33,851,372	55,802,105	2,145,703	16,614,675
Total operating income		115,267,115	123,551,710	9,544,984	69,885,963
Investment management fees		(1,026,531)	(612,936)	(587,143)	(297,905)
Global and local custodian fees		(177,509)	(85,420)	(70,859)	(37,396)
Total investment management and custodian fees		(1,204,040)	(698,356)	(658,002)	(335,301)
Impairment charge on financial assets	11	(1,672,943)	(560,909)	(545,449)	(985,084)
Total operating profit		112,390,132	122,292,445	8,341,533	68,565,578
Revenue from infrastructure subsidiaries investments	12	1,395,231	70,555,897	470,134	33,988,870
Expense from infrastructure subsidiaries investments	13	(397,014)	(83,084,275)	(107,735)	(39,282,551)
Profit from infrastructure subsidiaries investments		998,217	(12,528,378)	362,399	(5,293,681)
Other income		3,646,879	8,062,461	3,110,677	2,369,364
Operating and administrative expenses		(4,890,409)	(2,210,844)	(1,604,791)	(135,369)
Interest expense		(566,612)	(1,529,497)	(375,985)	(57,286)
Share of profit of investments accounted for using the equity method	19	1,795,809	1,724,284	453,837	498,325
Profit before taxation		118,374,016	115,810,471	10,287,671	65,846,931
Taxation		(1,386)	-	(1,386)	-
Profit from continuing operations		118,372,631	115,810,471	10,286,285	65,846,931
Profit/(loss) from discontinued operations	25	5,026,703	-	(982,003)	-
Loss on sale of discontinued operations	25	-	-	-	-
Profit for the period		118,399,334	115,810,471	9,304,282	65,846,931
Other comprehensive income:					
Items that may be reclassified to profit or loss					
Net change in fair value of financial assets at FVOCI	24.2	33,485	717,257	153,326	341,425
Share of other comprehensive income/(loss) of associates and joint venture	19	(170,317)	116,939	15,897	32,067
Exchange differences on translating foreign operations	24.3	(991,305)	(5,346,923)	(3,004,283)	(128,260)
Other comprehensive (loss)/income for the period		(1,128,137)	(4,512,727)	(2,835,060)	245,232
Total comprehensive income for the period		117,271,197	111,297,744	6,469,222	66,092,163
Profit attributable to:					
Owners of NSIA		118,456,836	115,836,409	9,310,710	65,861,270
Non-controlling interest		(57,502)	(25,938)	(6,428)	(14,289)
Total comprehensive income attributable to:		118,399,334	115,810,471	9,304,282	65,846,931
Owners of NSIA		117,328,699	111,323,682	6,475,650	66,106,452
Non-controlling interest		(57,502)	(25,938)	(6,428)	(14,289)
		117,271,197	111,297,744	6,469,222	66,092,163

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

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
Separate statement of comprehensive income
For the three and nine months period ended 30 September 2021

	Notes	Authority			
		Nine months ended 30 September		Three months ended 30 September	
		2021	2020	2021	2020
		N '000	N '000	N '000	N '000
Interest income	6	28,802,160	25,634,069	10,482,802	13,588,744
Investment income	7	2,085,078	3,546,690	694,276	2,439,997
Interest income on financial assets at FVTPL	8	622,304	515,519	185,647	222,192
Gain/(loss) on financial assets	9	49,658,273	41,284,295	(4,212,405)	38,995,595
Net foreign exchange gain	10	33,618,248	54,438,896	2,146,104	15,933,147
Total operating income		114,786,063	125,419,469	9,296,424	71,179,675
Investment management fees		(847,150)	(555,171)	(511,565)	(252,492)
Global and local custodian fees		(177,509)	(81,563)	(70,859)	(36,573)
Total investment management and custodian fees		(1,024,659)	(636,734)	(582,364)	(289,065)
Impairment write back on financial assets	11	(1,691,240)	(560,909)	(563,746)	(985,084)
Total operating profit		112,070,164	124,221,826	8,150,314	69,905,526
Other income		3,527,182	559,321	3,108,161	554,610
Operating and administrative expenses		(3,389,088)	(2,591,589)	(1,293,120)	(945,476)
Interest expense		(2,309)	(1,498)	(2,309)	-
Profit before taxation		112,205,949	122,188,060	9,963,046	69,514,660
Taxation		-	-	-	-
Profit for the period		112,205,949	122,188,060	9,963,046	69,514,660
Other comprehensive income:					
Items that may be reclassified to profit or loss					
Net change in fair value of financial assets at FVOCI	24.2	33,485	717,257	(86,356)	341,425
Other comprehensive income for the period		33,485	717,257	(86,356)	341,425
Total comprehensive income for the period		112,239,434	122,905,317	9,876,690	69,856,085

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

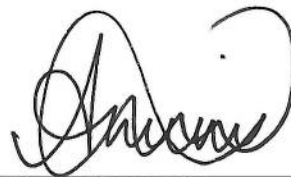
Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
Statements of financial position as at 30 September 2021

		Group 30 September 2021 N '000	Group 31 December 2020 N '000	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
Assets					
Cash and cash equivalents	15	39,503,808	145,257,520	38,044,493	144,447,965
Investment securities	14	794,940,344	570,817,236	760,329,028	544,423,629
Restricted balances and other assets	16	89,991,928	162,270,572	116,401,064	222,151,697
Inventories	17	199,236	152,549	-	-
Investment in subsidiaries	18	-	-	895,797	895,797
Investments accounted for using the equity method	19	22,261,372	19,371,487	10,614,990	10,614,990
Right of use asset	21	200,553	202,222	19,961	13,421
Property and equipment	20	5,163,758	5,431,210	403,234	475,253
Intangible assets	22	149,196	213,544	93,936	121,284
		952,410,196	903,716,340	926,802,503	923,144,036
Assets classified as held for sale	25(d)	-	78,064,684	-	-
Total assets		952,410,196	981,781,024	926,802,503	923,144,036
Liabilities					
Other liabilities	23	62,391,485	159,824,323	48,194,941	156,775,908
Liabilities directly associated with assets classified as held for sale	25(d)	-	49,209,187	-	-
Total liabilities		62,391,485	209,033,510	48,194,941	156,775,908
Equity					
Equity attributable to equity holders of parent					
Contribution by Government		347,375,000	347,375,000	347,375,000	347,375,000
Retained earnings	24.1	532,457,453	414,000,617	525,830,744	413,624,795
Fair value reserve	24.2	4,874,009	5,010,841	5,401,818	5,368,333
Foreign currency translation reserve	24.3	5,438,636	6,429,941	-	-
		890,145,098	772,816,399	878,607,562	766,368,128
Non-controlling interest	24.4	(126,387)	(68,885)	-	-
		890,018,711	772,747,514	878,607,562	766,368,128
Total equity and liabilities		952,410,196	981,781,024	926,802,503	923,144,036

Signed on behalf of the Board of Directors on 28 April 2022 by:

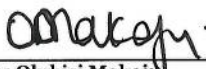


Mr Uche Orji
 Managing Director
 FRC/2014/IODN/00000007036



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

Additionally certified by:



Mrs Olubisi Makoju
 Financial Controller
 FRC/2014/ICAN/00000005765

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

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
Consolidated statement of changes in equity
For the 9 month period ended 30 September 2021

	Contribution by Government N '000	Foreign currency translation reserve N '000	Fair value reserve N '000	Retained earnings N '000	Non-controlling interest N '000	Total equity N '000
Group						
Balance at 1 January 2020	280,662,500	3,907,858	3,941,139	291,026,827	(2,898)	579,535,426
Contribution by Government	99,000,000	-	-	-	-	90,000,000
Profit/(loss) for the period	-	-	-	115,836,409	(25,938)	115,810,471
Currency translation differences	-	(5,346,923)	717,257	-	-	(5,346,923)
Net change in fair value of financial assets FVOCI	-	-	116,939	-	-	717,257
Share of other comprehensive income of associates and joint venture	-	(5,246,923)	834,196	-	-	116,939
Total other comprehensive income/(loss) for the period	-	(5,346,923)	834,196	115,836,409	(25,938)	(4,512,727)
Total comprehensive income/(loss) for the period	370,662,500	(1,439,065)	4,775,335	406,863,236	(28,836)	780,833,170
Balance at 30 September 2020						
	347,375,000	6,429,941	5,010,841	414,000,617	(68,885)	772,747,514
Group 30 September 2021						
	-	(991,305)	-	118,456,836	(57,502)	118,399,334
Contribution by Government	347,375,000	-	33,485	-	-	(991,305)
Profit/(loss) for the period	-	-	(170,317)	-	-	33,485
Currency translation differences	-	(991,305)	(170,317)	-	-	(170,317)
Net change in fair value of financial assets FVOCI	-	-	(170,317)	-	-	(170,317)
Share of other comprehensive income of associates and joint venture	-	(991,305)	(170,317)	-	-	(1,128,137)
Total other comprehensive loss for the period	-	(991,305)	(170,317)	-	-	(1,128,137)
Total comprehensive income/(loss) for the period	347,375,000	5,438,636	4,874,009	532,457,453	(126,387)	890,018,711
Balance at 30 September 2021						
	347,375,000	5,438,636	4,874,009	532,457,453	(126,387)	890,018,711

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

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
Separate statement of changes in equity
For the 9 month period ended 30 September 2021

	Contribution by Government N '000	Fair value reserve N '000	Retained earnings N '000	Total equity N '000
Authority				
Balance at 1 January 2020	280,662,500	3,430,497	287,750,520	571,843,517
Contribution by Government	90,000,000	-	-	90,000,000
Profit for the period	-	-	122,188,060	122,188,060
Net change in fair value of financial assets at FVOCI	-	717,257	-	717,257
Total other comprehensive income for the period	-	717,257	-	717,257
Total comprehensive income for the period	-	717,257	122,188,060	122,905,317
Balance at 30 September 2020	370,662,500	4,147,754	409,938,580	784,748,834
Authority 30 September 2021				
Authority				
Balance at 1 January 2021	-	-	-	-
Profit for the period	347,375,000	5,368,333	413,624,795	766,368,128
Net change in fair value of financial assets at FVOCI	-	-	112,205,949	112,205,949
Total other comprehensive income for the period	-	33,485	-	33,485
Total comprehensive income for the period	-	33,485	112,205,949	33,485
Balance at 30 September 2021	347,375,000	5,401,818	525,830,744	878,607,562

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Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
Statement of cash flows
For the 9 month period ended 30 September 2021

		Group 30 September 2021 N '000	Group 30 September 2020 N '000	Authority 30 September 2021 N '000	Authority 30 September 2020 N '000
Cash flow from operating activities					
Profit/(loss) before income tax		113,374,016	115,810,471	112,205,949	122,188,060
Adjustments to reconcile profit/(loss) before tax to net cash flow from operating activities:					
Depreciation charge for the period	20	891,489	496,044	148,387	112,563
Amortisation of intangible assets	22	139,129	100,036	27,348	20,334
Interest income	6	(28,992,062)	(26,276,460)	(28,802,160)	(25,634,069)
Investment income	7	(1,849,855)	(3,682,280)	(2,085,078)	(3,546,690)
Interest income on financial assets at FVTPL	8	(722,382)	(515,519)	(622,304)	(515,519)
Net foreign exchange gains	10	(33,851,372)	(55,802,105)	(33,618,248)	(54,438,896)
Unrealised gain/(loss) on financial instruments at FVTPL		(48,700,458)	(29,275,347)	(18,507,287)	(33,284,296)
Benefit from below market rate loan		-	(977,744)	-	-
Impairment (write back)/charge	11	1,672,943	560,909	1,691,240	560,909
Interest expense		566,612	1,529,497	2,309	1,498
Share of profit from associate and joint venture	19	(1,795,809)	(1,724,284)	-	-
Movements in operating assets/ liabilities:					
Inventories		(46,687)	(5,308,384)	-	-
Other assets		72,278,644	(16,372,558)	105,750,633	(7,341,320)
Other liabilities		(97,432,838)	61,660,662	(108,580,967)	51,631,961
Cash (used in)/generated from operations		(24,468,630)	40,222,938	(2,390,178)	49,754,535
Tax paid		-	(119,259)	-	-
Net cash generated from/(used) in operating activities		(24,468,630)	40,103,679	(2,390,178)	49,754,535
Cash flows from investing activities					
Purchase of property and equipment	20	(1,877,912)	(4,742,439)	(76,368)	(162,063)
Purchase of other intangible assets	22	(74,781)	(233,315)	-	(50,499)
Payment for financial assets at fair value		(414,591,874)	(407,929,735)	(405,969,543)	(404,195,954)
Proceeds from sale of financial assets at fair value		329,682,209	92,032,463	302,634,692	91,677,375
Acquisition of financial assets held at amortised cost		(230,400,000)	(55,800,117)	(230,400,000)	(51,350,175)
Proceeds from maturity and sale of financial assets held at amortised cost		223,000,000	158,789,740	219,837,742	149,257,212
Investment and interest income received		8,641,384	13,617,208	8,868,069	13,433,095
Dividend received		182,222	-	-	-
Proceeds due to return of capital from subsidiaries		-	-	-	3,250,000
Acquisition of further investments in joint ventures/associates		(1,446,614)	(2,031,169)	-	-
Net cash used in investing activities		(86,885,366)	(206,297,364)	(105,105,408)	(198,141,009)
Cash flows from financing activities					
Contribution by Government		-	90,000,000	-	90,000,000
Interest expense		(566,612)	(3,994,171)	(2,309)	-
Net cash generated/(used) in financing activities		(566,612)	86,005,829	(2,309)	90,000,000
Net cash movement for the period					
		(111,920,608)	(80,187,856)	(107,497,895)	(58,386,474)
Cash and cash equivalents at beginning of period		145,257,520	216,047,631	144,447,965	185,736,007
Net exchange gains/(losses) on cash and cash equivalents		1,140,193	8,341,486	1,094,423	8,322,807
Cash and cash equivalents at period end		34,477,105	144,201,261	38,044,493	135,672,340
Cash and cash equivalents comprise:					
Cash in hand		12,638	20,923	3,204	2,081
Bank balances		2,370,737	51,254,601	6,275,636	42,744,521
Placements with financial institutions		32,120,433	92,925,738	31,765,653	92,925,738
Total cash and cash equivalents		39,503,808	144,201,262	38,044,493	135,672,340

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

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
For the 9 month period ended 30 September 2021
Notes to the financial statements

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 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
Nigeria Infrastructure Fund (NIF)	In-house Management Team, Fund for Agricultural Finance in Nigeria (FAFIN)
Future Generations Fund (FGF)	Alitheia Capital, Cevian Capital UK LLP, Edgbaston Investment Partners, Greenspring Fund, Somerset, Marathon Asset Management LLP, Prince Street Institutional Fund, Xenon Private Equity, Z Capital Partners, Helios Investment Partners, Healthcare RoyaltyPartners, Ingressive Capital, Actis Capital, Africa Capital Alliance, Abraaj Group, Canyon Partners, RWC Partners Limited, Goldman Sachs Asset Management, Akina AG, Reverence Capital, Naya GP Limited, Palestra Capital, Alpstone GMF, Holocene Advisors Offshore Fund Limited, G Squared, Fundsmith Equity Fund, Petershill Private Equity, John Street Systematic Fund, Bayview Liquid Credit Strategies Offshore, Synergy Private Equity Fund LP, Verod Capital Growth Fund LP, Whitehorse Liquidity Partners, Reverence Capital Partner, Life Sci Venture Partners, Lombard Odier Secondaries Fund, Vanguard S&P 500, Vanguard FTSE Europe, Invesco QQQ Trust Series, Global X Dax Germany.

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 2020 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 (2021) include:

- Covid 19 related rent concessions - Amendments to IFRS 16
- Interest rate benchmark reform - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The Group did not make any changes to its accounting policies as it is not affected by the interest rate benchmark reforms and the other amendments listed above are only clarifications that did not require changes.

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 30 September 2021 N '000	Group 31 December 2020 N '000	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
Cash in hand	12,638	5,989	3,204	1,299
Bank balances	7,370,737	136,378,529	6,275,636	135,574,631
Money market placements	32,120,433	8,873,002	31,766,653	8,872,035
Total cash and cash equivalents	39,503,808	145,257,520	38,044,493	144,447,965

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 September 2021 N '000	Group 30 September 2020 N '000	Authority 30 September 2021 N '000	Authority 30 September 2020 N '000
FVTPL investments (US treasury notes)	23,836,462	22,053,390	23,836,462	22,053,390
FVTPL investments (Fixed income products)	26,410,475	23,924,532	26,262,575	23,924,532
	50,246,937	45,977,922	50,099,037	45,977,922

Net interest income sensitivity

30 September 2021

(All amounts are in thousand of Naira)

	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	(2,512,347)	(2,504,952)
Impact on total comprehensive income	+5%	2,512,347	2,504,952

30 September 2020

(All amounts are in thousand of Naira)

	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	(2,298,896)	(2,298,896)
Impact on total comprehensive income	+5%	2,298,896	2,298,896

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 September 2021. All fair value measurements disclosed are recurring fair value measurements.

Group

30 September 2021

Financial assets at FVOCI

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
NG Clearing Ltd	-	-	1,081,666	1,081,666
MTN Nigeria Communications PLC	2,460,248	-	-	2,460,248
Bridge Academics Limited	-	-	1,526,316	1,526,316
	2,460,248	-	2,607,982	5,068,230

31 December 2020

Financial assets at FVOCI

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
NG Clearing Ltd	-	-	1,081,666	1,081,666
MTN Nigeria Communications PLC	4,556,137	-	-	4,556,137
Bridge Academics Limited	-	-	2,425,600	2,425,600
	4,556,137	-	3,507,266	8,063,403

Authority

30 September 2021

Financial assets at FVOCI

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
NG Clearing Ltd	-	-	1,081,666	1,081,666
MTN Nigeria Communications PLC	2,460,248	-	-	2,460,248
	2,460,248	-	1,081,666	3,541,914

Authority

31 December 2020

Financial assets at FVOCI

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
NG Clearing Ltd	-	-	1,081,666	1,081,666
MTN Nigeria Communications PLC	4,556,137	-	-	4,556,137
	4,556,137	-	1,081,666	5,637,803

Financial assets at fair value through profit or loss

Group

30 September 2021

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Currency swap	-	383,636,157	-	383,636,157
Private equity investments	-	-	119,710,092	119,710,092
Hedge fund and long only equity investments	-	-	167,282,815	167,282,815
Nigeria Infrastructure Debt Fund	-	1,586,753	-	1,586,753
Fixed income products	-	26,410,475	-	26,410,475
US treasury notes	-	23,836,462	-	23,836,462
	-	435,469,847	286,992,907	722,462,754

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Group
31 December 2020

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Currency swap	-	235,896,025	-	235,896,025
Private equity investments	-	-	87,717,247	87,717,247
Hedge fund and long only equity investments	-	-	119,429,965	119,429,965
Nigeria Infrastructure Debt Fund	-	1,626,000	-	1,626,000
Fixed income products	-	22,081,811	-	22,081,811
US treasury notes	-	24,227,891	-	24,227,891
	-	283,831,727	207,147,212	490,978,939

Authority
30 September 2021

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Currency swap	-	380,154,047	-	380,154,047
Private equity investments	-	-	91,223,031	91,223,031
Hedge funds and long only equity investments	-	-	167,282,815	167,282,815
Nigeria Infrastructure Debt Fund	-	1,586,753	-	1,586,753
US treasury notes	-	26,262,575	-	26,262,575
Fixed income products	-	23,836,462	-	23,836,462
	-	431,839,837	258,505,846	690,345,683

Authority
31 December 2020

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Currency swap	-	235,896,025	-	235,896,025
Private equity investments	-	-	64,174,313	64,174,313
Hedge funds and long only equity investments	-	-	119,429,965	119,429,965
Nigeria Infrastructure Debt Fund	-	1,626,000	-	1,626,000
US treasury notes	-	22,081,811	-	22,081,811
Fixed income products	-	24,227,891	-	24,227,891
	-	283,831,727	183,604,278	467,436,005

(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 2021. 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 September 2021 for financial assets measured at fair value:

	Group 30 September 2021 N '000	Group 31 December 2020 N '000	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
Financial assets measured at FVOCI - Bridge Academies Limited and NG Clearing				
Opening balance	3,507,266	2,603,000	1,081,666	523,000
Additions in the period	-	882,100	-	536,500
Disposals in the period	-	-	-	-
Fair value (loss)/gain	(899,284)	22,166	-	22,166
Exchange gain	-	-	-	-
Closing balance	2,607,982	3,507,266	1,081,666	1,081,666
	Group 30 September 2021 N '000	Group 31 December 2020 N '000	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
Financial assets at fair value through profit or loss - Private equity				
Opening balance	87,717,248	57,169,278	64,174,315	37,045,262
Additions in the period	29,250,625	17,448,811	20,628,294	11,353,676
Disposals, repayments and distributions received	(9,352,385)	(5,193,970)	(5,834,448)	(1,945,287)
Fair value (loss)/gain	10,900,410	9,555,306	11,674,259	11,312,245
Exchange gain	1,194,191	9,037,823	1,178,561	6,408,419
Closing balance	119,710,089	87,717,248	91,820,981	64,174,315
	Group 30 September 2021 N '000	Group 31 December 2020 N '000	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
Financial assets at fair value through profit or loss - Hedge funds				
Opening balance	119,429,965	67,462,348	119,429,965	67,462,348
Additions in the period	38,145,977	28,445,918	38,145,977	28,445,918
Disposals, repayments and distributions received	(11,996,857)	(427,396)	(11,996,857)	(427,396)
Fair value (loss)/gain	10,809,876	11,422,150	10,809,876	11,422,150
Exchange gain	10,893,853	12,526,945	10,893,853	12,526,945
Closing balance	167,282,814	119,429,965	167,282,814	119,429,965

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 September 2021

(All amounts are in thousand of Naira)

	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	(1,085,514)	(1,124,207)
Impact on total comprehensive income	+5%	1,085,514	1,124,207

31 December 2020

(All amounts are in thousand of Naira)

	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	(477,765)	(565,612)
Impact on total comprehensive income	+5%	477,765	565,612

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6 Interest income

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020	2021	2020	2021	2020
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Interest income on Nigerian treasury bills	-	562,674	-	22,253	-	44,562	-	22,253
Interest income on fixed deposits	3,704,722	4,161,543	1,291,447	1,714,682	3,566,324	4,044,324	1,203,141	1,679,538
Interest income on open market operation bills	24,571,807	21,435,717	8,621,557	11,851,455	24,571,807	21,435,717	8,621,557	11,851,455
Interest income on Eurobonds	-	-	-	-	-	-	-	-
Interest income on loans	701,340	-	661,942	(44,688)	651,807	-	647,851	-
Interest income on bank balances	14,193	116,526	12,174	44,931	12,222	109,465	10,253	44,498
	28,992,062	26,276,460	10,587,120	13,588,633	28,802,160	25,634,069	10,482,802	13,588,744

7 Investment income

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020	2021	2020	2021	2020
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Investment income from securities	1,849,855	3,682,280	556,970	2,504,961	2,085,078	3,546,690	694,276	2,439,997
	1,849,855	3,682,280	556,970	2,504,961	2,085,078	3,546,690	694,276	2,439,997

8 Interest income on financial assets at FVTPL

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020	2021	2020	2021	2020
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Interest income on US treasury notes	406,938	257,528	126,161	81,804	406,938	257,528	126,161	81,804
Interest income from fixed income products	315,444	257,991	159,564	140,388	215,366	257,991	59,486	140,388
	722,382	515,519	285,725	222,192	622,304	515,519	185,647	222,192

9 Gain/(Loss) on financial assets

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020	2021	2020	2021	2020
	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)	49,851,444	37,083,135	(4,030,534)	36,942,752	49,658,273	41,092,084	(4,212,405)	38,982,845
Net gain on US treasury notes and fixed income products	-	192,211	-	12,750	-	192,211	-	12,750
	49,851,444	37,275,346	(4,030,534)	36,955,502	49,658,273	41,284,295	(4,212,405)	38,995,595

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

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020	2021	2020	2021	2020
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Unrealised (loss)/gain on financial swap	28,153,207	(280,746)	(8,273,739)	8,348,760	28,153,207	(280,746)	(8,273,739)	8,348,760
Realised gain/(loss) on financial swap	(184,166)	5,945,005	-	-	(184,166)	5,945,005	-	-
Fair value changes on private equity, hedge funds and other securities	20,547,251	29,556,093	2,998,539	28,486,950	20,354,080	33,565,042	2,810,668	30,527,043
Net gain/(loss) on sale of equity instruments	1,335,152	1,862,783	1,250,666	107,042	1,335,152	1,862,783	1,250,666	107,042
	49,851,444	37,083,135	(4,030,534)	36,942,752	49,658,273	41,092,084	(4,212,405)	38,982,845

10 Net foreign exchange gain

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020	2021	2020	2021	2020
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Net foreign exchange gain	33,851,372	55,802,105	2,145,793	16,614,675	33,618,248	54,438,896	2,146,104	15,933,147
	33,851,372	55,802,105	2,145,793	16,614,675	33,618,248	54,438,896	2,146,104	15,933,147

11 Impairment write back on financial assets

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020	2021	2020	2021	2020
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Investment securities	(458,726)	(401,953)	(140,710)	(985,084)	(477,923)	(401,953)	(159,007)	(985,084)
Other assets	(1,214,217)	(158,956)	(404,739)	-	(1,214,217)	(158,956)	(404,739)	-
	(1,672,943)	(560,909)	(545,449)	(985,084)	(1,692,140)	(560,909)	(563,746)	(985,084)

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12 Revenue from infrastructure subsidiaries investments	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020	2021	2020	2021	2020
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Revenue from sale of fertilizers	-	54,088,421	-	33,932,925	-	-	-	-
Revenue from sale of fertilizer inputs	-	16,384,283	-	-	-	-	-	-
Revenue from healthcare services	1,395,231	83,193	470,134	55,945	-	-	-	-
	1,395,231	70,655,897	470,134	33,988,870	-	-	-	-
Revenue from sale of fertilizer represents the revenue from sale of finished and packaged fertilizer to Agro-dealers and State Governments Revenue from sale of fertilizer inputs represents the revenue from sale of potash and phosphate to other fertilizer blenders Revenue from healthcare services, represents the revenue from provision of medical consultations and related services								
13 Expense from infrastructure subsidiaries investments	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020	2021	2020	2021	2020
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Cost of sales on fertilizers and fertilizer inputs	-	83,055,743	-	39,381,792	-	-	-	-
Expenses on healthcare services	397,014	28,532	107,735	759	-	-	-	-
	397,014	83,084,275	107,735	39,382,551	-	-	-	-
14 Investment securities					Group 30 September 2021 N '000	Group 31 December 2020 N '000	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
Financial assets measured at amortised cost			14.1		67,409,360	72,870,860	66,441,431	71,430,067
Financial assets measured at FVOCI			14.2		5,068,230	7,047,683	3,541,914	5,637,803
Financial assets at fair value through profit or loss			14.3		722,462,754	490,898,693	690,345,683	467,355,759
					794,940,344	570,817,236	760,329,028	544,423,629
14.1 Financial assets measured at amortised cost					Group 30 September 2021 N '000	Group 31 December 2020 N '000	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
Fixed deposits:					67,554,485	72,066,099	67,554,485	72,066,098
Loans and receivables					1,032,170	1,440,792	-	-
					68,586,655	73,506,891	67,554,485	72,066,098
Impairment /expected credit loss			14.1.1		(1,177,295)	(636,031)	(1,113,054)	(636,031)
					67,409,360	72,870,860	66,441,431	71,430,067
Maturity analysis:								
Current					67,409,360	72,870,860	66,441,431	71,430,067
Non-current					-	-	-	-
					67,409,360	72,870,860	66,441,431	71,430,067
14.1.1 Impairment /expected credit loss					Group 30 September 2021 N '000	Group 31 December 2020 N '000	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
As at beginning of period					636,031	655,817	636,031	655,817
Provision/(Write back) for expected credit losses					541,264	(19,786)	477,023	(19,786)
As at end of period					1,177,295	636,031	1,113,054	636,031
14.2 Financial assets measured at FVOCI					Group 30 September 2021 N '000	Group 31 December 2020 N '000	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
Equity instruments								
NG Clearing Limited					1,081,666	1,081,666	1,081,666	1,081,666
MTN Nigeria Communications PLC					2,460,248	4,556,137	2,460,248	4,556,137
Bridge Academies Limited					1,526,316	1,409,880	-	-
					5,068,230	7,047,683	3,541,914	5,637,803
Maturity analysis:								
Non-current					5,068,230	7,047,683	3,541,914	5,637,803
					5,068,230	7,047,683	3,541,914	5,637,803
14.3 Financial assets at fair value through profit or loss					Group 30 September 2021 N '000	Group 31 December 2020 N '000	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
Currency swap					383,636,157	235,896,025	380,154,047	235,896,025
Private equity investments					119,710,092	87,717,247	91,223,031	64,174,313
Hedge fund and long only equity					167,282,815	119,429,965	167,282,815	119,429,965
Nigeria Infrastructure Debt Fund					1,586,763	1,626,000	1,586,753	1,626,000
Fixed income products					26,410,475	24,227,891	26,262,575	24,227,891
US treasury notes					23,836,462	22,001,565	23,836,462	22,001,565
					722,462,754	490,898,693	690,345,683	467,355,759
Maturity analysis:								
Current					433,883,094	255,002,668	430,253,084	231,459,734
Non-current					288,579,660	235,896,025	260,092,599	235,896,025
					722,462,754	490,898,693	690,345,683	467,355,759

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15	Cash and cash equivalents	Group	Group	Authority	Authority
		30 September 2021 N '000	31 December 2020 N '000	30 September 2021 N '000	31 December 2020 N '000
	Cash on hand	12,638	5,989	3,204	1,299
	Bank balances	7,370,737	136,378,529	6,275,636	135,574,631
	Money market placements	32,120,433	8,873,002	31,765,653	8,872,035
		39,503,808	145,257,520	38,044,493	144,447,965
16	Restricted balances and other assets	Group	Group	Authority	Authority
		30 September 2021 N '000	31 December 2020 N '000	30 September 2021 N '000	31 December 2020 N '000
	Financial assets:				
	Other receivables	56,476,106	143,311,423	74,929,122	143,745,916
	Account receivables	5,619,923	1,266,107	1,288,517	1,265,467
	Intercompany receivables	-	-	36,996,707	75,850,113
	Intercompany loan	6,313,236	-	6,313,236	3,243,527
	Cost incurred on behalf of the Federal Government of Nigeria	16,113,745	16,113,745	-	-
	Restricted balance	3,482,110	3,164,115	-	-
	Dividend receivable	5,026,703	-	-	-
		93,031,823	163,855,390	119,527,582	224,105,023
	Impairment /expected credit loss	(3,222,247)	(1,701,494)	(3,220,397)	(2,006,180)
	Total financial assets	89,809,576	162,153,896	116,307,185	222,098,843
	Non-financial assets:				
	Prepayment	182,352	116,676	93,879	52,854
		89,991,928	162,270,572	116,401,064	222,151,697
17	Inventories	Group	Group	Authority	Authority
		30 September 2021 N '000	31 December 2020 N '000	30 September 2021 N '000	31 December 2020 N '000
	Raw materials	91,790	59,705	-	-
	Finished goods	107,446	92,844	-	-
		199,236	152,549	-	-
	Maturity analysis:				
	Current	199,236	152,549	-	-
		199,236	152,549	-	-

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18 Investments in subsidiaries

	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
At the beginning of the period	895,797	1,753,398
Return of capital investment in KG Brussels	-	(1,940,481)
Exchange gain on return of capital	-	1,082,880
At the end of the period	<u>895,797</u>	<u>895,797</u>

18.1 Information on subsidiary entities controlled by the Authority

Name of entity	Place of business/ Country of incorporation	% of ownership interest		Carrying amount	
		30 September 2021	31 December 2020	30 September 2021 N '000	31 December 2020 N '000
NSIA Motorways Investment Company (NMIC)	Nigeria	99.99%	99.99%	1,000	1,000
KG Brussels LP	USA	100.00%	100.00%	886,797	886,797
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
				<u>895,797</u>	<u>895,797</u>

19 Investments accounted for using the equity method

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

	Group 30 September 2021 N '000	Group 31 December 2020 N '000	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
Associates and joint ventures	<u>22,261,372</u>	<u>19,371,487</u>	<u>10,614,990</u>	<u>10,614,990</u>

The amounts recognised in the statement of comprehensive income are as follows:

Associates and joint ventures	<u>1,625,492</u>	<u>2,306,333</u>	<u>-</u>	<u>-</u>
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The table below shows a detailed movement of this balance:

	Group 30 September 2021 N '000	Group 31 December 2020 N '000	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
At the beginning of the period	19,371,488	15,226,911	10,614,990	10,614,990
Additions during the period ¹	1,446,614	2,031,170	-	-
Share of profit of associate and joint venture	1,795,809	2,158,747	-	-
Share of fair value reserves of associate and joint venture	(170,317)	147,586	-	-
Dividend received	(182,222)	(192,926)	-	-
At the end of the period	<u>22,261,372</u>	<u>19,371,488</u>	<u>10,614,990</u>	<u>10,614,990</u>
Maturity analysis:				
Non-current	<u>22,261,372</u>	<u>19,371,488</u>	<u>10,614,990</u>	<u>10,614,990</u>

¹During the prior year, the Group increased its investment in UFF-NAIC Agriculture Investment Company (Mauritius) Limited. An additional investment of N2.03 billion was made which brings the total investment in the entity to N3.94 billion.

During the current period, NSIA Agriculture Investment Company Limited, a subsidiary of NSIA, entered into a joint venture agreement with OCP Africa and made an investment of N1.4 billion in a jointly incorporated company- Multi-purpose Industrial Platform Limited.

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20 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 2020	-	-	137,425	525,806	175,920	3,071	2,128,372	2,969,594
Acquisition of subsidiary	739,542	1,607,099	91,325	-	29,076	28,600	-	2,495,642
Transfers	324,162	758,778	78,545	5,490	-	17,168	(1,184,143)	-
Disposals	-	178,821	42,136	160,381	60,362	110,077	309,646	861,423
As at 31 December 2020	1,063,704	2,544,698	349,431	691,677	265,358	157,916	1,253,875	6,326,659
As at 1 January 2021	1,063,704	2,544,698	349,431	691,677	265,358	157,916	1,253,875	6,326,659
Additions in the period	506,366	373,641	92,863	48,564	(6,784)	863,262	-	1,877,912
Transfers to other assets	-	-	-	-	-	-	(1,253,875)	(1,253,875)
As at 30 September 2021	1,570,070	2,918,339	442,294	740,241	258,574	1,021,178	-	6,950,696
Accumulated depreciation								
As at 1 January 2020	-	-	90,593	228,274	149,997	1,836	-	470,700
Charge for the year	19,365	186,266	38,316	119,878	32,410	28,514	-	424,749
As at 31 December 2020	19,365	186,266	128,909	348,152	182,407	30,350	-	895,449
As at 1 January 2021	19,365	186,266	128,909	348,152	182,407	30,350	-	895,449
Charge for the period	56,345	485,466	84,118	110,910	30,355	134,295	-	891,489
As at 30 September 2021	75,710	671,732	213,027	459,062	202,762	164,645	-	1,786,938
Carrying amount								
As at 30 September 2021	1,494,360	2,246,607	229,267	281,179	55,812	856,533	-	5,163,758
As at 31 December 2020	1,044,339	2,358,432	220,522	343,525	82,951	127,566	1,253,875	5,431,210
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 2020			137,425	512,022	175,920	2,071		827,438
Additions in the year			80,189	125,325	60,362	620		266,496
As at 31 December 2020			217,614	637,347	236,282	2,691		1,093,934
As at 1 January 2021			217,614	637,347	236,282	2,691		1,093,934
Additions in the period			11,076	43,000	22,292	-		76,368
As at 30 September 2021			228,690	680,347	258,574	2,691		1,170,302
Accumulated depreciation								
As at 1 January 2020			90,593	214,490	149,997	1,836		456,916
Charge for the year			16,365	116,542	28,704	154		161,765
As at 31 December 2020			106,958	331,032	178,701	1,990		618,681
As at 1 January 2021			106,958	331,032	178,701	1,990		618,681
Charge for the period			22,450	101,704	24,061	172		148,387
As at 30 September 2021			129,408	432,736	202,762	2,162		767,068
Carrying amount								
As at 30 September 2021			99,282	247,611	55,812	529		403,234
As at 31 December 2020			110,556	306,315	57,681	701		475,253

	Group		Authority	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	N '000	N '000	N '000	N '000
Opening balance	202,222	249,905	13,421	43,488
Additions	-	-	-	-
Depreciation expense	(1,669)	(47,683)	6,540	(30,067)
	200,553	202,222	19,961	13,421

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22 Intangible assets			Group	Authority
Software - 30 September 2021			N '000	N '000
Cost				
Balance at 1 January 2021			306,848	176,873
Additions in the period			74,781	-
Disposals in the period			-	-
Balance at 30 September 2021			<u>375,629</u>	<u>176,873</u>
Amortisation				
Balance at 1 January 2021			87,304	55,589
Charge for the period			139,129	27,348
Balance at 30 September 2021			<u>226,433</u>	<u>82,937</u>
Carrying amount				
Balance at 30 September 2021			<u>149,196</u>	<u>93,936</u>
Software - 31 December 2020				
Cost				
Balance at 1 January 2020			126,536	126,374
Acquisition of subsidiaries			114,721	-
Additions			59,591	50,499
Balance at 31 December 2020			<u>300,848</u>	<u>176,873</u>
Amortisation				
Balance at 1 January 2020			26,301	26,139
Charge for the year			61,003	29,450
Balance at 31 December 2020			<u>87,304</u>	<u>55,589</u>
Carrying amount				
Balance at 31 December 2020			<u>213,544</u>	<u>121,284</u>
23 Other liabilities				
	Group	Group	Authority	Authority
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	N '000	N '000	N '000	N '000
Financial liability:				
Trade payables	1,889,319	1,300,561	1,561,824	1,210,822
Intercompany payables	-	-	16,696,401	16,621,418
Other payables	42,821,474	138,293,189	28,994,386	137,577,722
Payables to the Federal Government of Nigeria in respect of the Second Niger Bridge	16,242,083	18,442,124	-	-
Tax liabilities	393,095	352,231	-	-
Accruals	1,045,514	1,436,218	942,330	1,365,946
	<u>62,391,485</u>	<u>159,824,323</u>	<u>48,194,941</u>	<u>156,775,908</u>
Maturity analysis				
Current	46,149,402	143,582,240	48,194,941	140,154,499
Non-current	16,242,083	16,242,083	-	16,621,418
	<u>62,391,485</u>	<u>159,824,323</u>	<u>48,194,941</u>	<u>156,775,908</u>
24 Equity and reserves:				
	Group	Group	Authority	Authority
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	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	532,457,453	414,000,617	525,830,744	413,624,795
Fair value reserve	4,874,009	5,010,841	5,401,818	5,368,333
Foreign currency translation reserve	5,438,636	6,429,941	-	-
Non-controlling interest	(126,387)	(68,885)	-	-
	<u>890,018,711</u>	<u>772,747,514</u>	<u>878,607,562</u>	<u>766,368,128</u>
24.1 Retained earnings				
	Group	Group	Authority	Authority
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	N '000	N '000	N '000	N '000
Opening balance	414,000,617	291,026,827	413,624,795	287,750,520
Exchange differences on translating return of capital	-	(33,562,500)	-	(33,562,500)
Profit for the period	118,456,836	156,536,290	112,205,949	159,436,775
	<u>532,457,453</u>	<u>414,000,617</u>	<u>525,830,744</u>	<u>413,624,795</u>

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24.2 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 September 2021 N '000	Group 31 December 2020 N '000	Authority 30 September 2021 N '000	Authority 31 December 2020 N '000
Opening balance	5,010,841	3,941,139	5,368,333	3,430,497
Change in value of financial assets measured at FVOCI	33,485	922,116	33,485	1,937,836
Share of change in value of financial assets measured at FVOCI - (Associates)	(170,317)	147,586	-	-
	<u>4,874,009</u>	<u>5,010,841</u>	<u>5,401,818</u>	<u>5,368,333</u>

24.3 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 September 2021 N '000	Group 31 December 2020 N '000
Opening balance	5,429,941	3,907,858
Exchange differences arising during the period	(991,305)	2,522,083
	<u>5,438,636</u>	<u>6,429,941</u>

24.4 Non-controlling interest (NCI)

	Group 30 September 2021 N '000	Group 31 December 2020 N '000
Opening balance	(68,885)	(2,898)
Loss attributable to NCI	(57,502)	(65,987)
	<u>(126,387)</u>	<u>(68,885)</u>

25 Discontinued Operation

25(a) Description

NAIC-NPK Limited was established to stimulate local production of NPK fertiliser by reviving the local fertilizer blending industry so as to make fertilisers available to Nigerian farmers and agro dealers at affordable prices.

On 3 November 2020, an approval was issued by the Office of the Chief of Staff of the Federal Republic of Nigeria to restructure the Presidential Fertiliser Initiative for which NAIC-NPK was established, resulting in the transfer of the business operations of NAIC-NPK to the Ministry of Finance Incorporated (MOFI). The associated assets and liabilities were consequently presented as held for sale in the 2020 financial statements.

The subsidiary was sold on 30 September 2021 with effect from 1 October 2021 and is reported in the prior period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

25(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the two months ended 30 September 2021 and the year ended 31 December 2020.

	30 September 2021 N'000	31 December 2020 N'000
Revenue	140,128,168	86,974,425
Cost of sales	(129,866,291)	(99,066,450)
Gross Profit/(Loss)	<u>10,271,877</u>	<u>(12,092,025)</u>
Net foreign exchange gain	(2,235,812)	(2,516,083)
Impairment write back on financial assets	(717,393)	(711,710)
Administrative expenses	(2,718,931)	(168,599)
Operating profit/(loss)	<u>4,600,641</u>	<u>(15,488,417)</u>
Investment Income	-	518,112
Other income	2,434,083	18,350,004
Interest expense	(2,008,021)	(3,379,699)
Profit from discontinued operations	<u>5,026,703</u>	<u>-</u>
Other comprehensive income from discontinued operations	-	-
Total comprehensive income from discontinued operations	<u>5,026,703</u>	<u>-</u>
Cash flows attributable to discontinued operations		
Net cash generated from operating activities	(15,337,606)	3,715,939
Net cash generated from/(used in) investing activities	-	9,820,775
Net cash used in financing activities	17,338,595	(5,754,068)
Net (decrease)/ increase in cash generated by discontinued operations	<u>2,000,989</u>	<u>7,782,646</u>

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25(c) Details of the NAIC-NPK divestment

	2021 N'000	2020 N'000
Consideration received or receivable		
Cash	-	-
Fair value of contingent consideration	-	-
Total divestment consideration	-	-
Carrying amount of assets divested	-	-
Loss on sale of NAIC-NPK	-	-

The carrying amounts of assets and liabilities as at the date of sale (30 September 2021) were:

	Sept 2021 N'000
Assets:	
Cash and cash equivalent	31,860,085
Investments	-
Trade receivables	59,863,561
Other receivables	19,779,154
Inventories	18,808,380
Total assets	130,311,180
Liabilities:	
Trade payables	1,504,647
Other payables	114,606,613
Borrowings	14,190,920
Total liabilities	130,311,180
Net Assets	-

25(d) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2020:

	31 December 2020 N'000
Assets classified as held for sale:	
Cash and cash equivalent	34,886,799
Investments	-
Trade receivables	16,193,417
Other receivables	16,467,584
Inventories	10,516,884
Total assets of disposal group held for sale	78,064,684
Liabilities directly associated with assets classified as held for sale:	
Trade payables	15,140,301
Other payables	14,037,793
Borrowings	20,031,183
Total liabilities of disposal group held for sale	49,209,187

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. FMCU Advanced Medical Diagnostics Ltd, AKTH Advanced Medical Diagnostics Limited and LUTH Advanced Medical Services Limited are sub-subsidiaries of the Authority and are related parties in accordance with the applicable standards.

Nigeria Mortgage Refinance Company, Family Homes Fund Limited, Infrastructure Credit Guarantee Company Limited (InfraCredit), Panda Agricultural Properties Management (Mauritius) Limited and Pandagric Novum Limited are associates of the Authority.

UFF-NAIC Management Company (Mauritius) Limited, UFF-NAIC Agriculture Investment Company (Mauritius) Limited and Multi-purpose Industrial Platforms Limited are jointly controlled with other entities and are therefore also related parties.

27 Events after the reporting period

A new non executive director was appointed in January 2022, Dr. Ogechi Paschal-Ejiogu, to replace Mr Ike Chioke who chose to focus on InfraCorp.



**REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS
TO THE MEMBERS OF THE NIGERIA SOVEREIGN INVESTMENT AUTHORITY**

Introduction

We have reviewed the accompanying consolidated and separate interim statement of financial position of Nigeria Sovereign Investment Authority ("the Authority") and its subsidiaries (together "the Group") as at 30 September 2021 and the related consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, and statements of changes in equity and cash flows for the nine-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 unaudited condensed consolidated and separate interim financial statements 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 statements 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 unaudited 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 September 2021, 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

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



09 June 2022