

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate
interim financial statements
for the 6 months period ended 30 June 2020

Nigeria Sovereign Investment Authority
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For the 6 month period ended 30 June 2020
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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 2019 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 6 month period ended 30 June 2020
General Information

Board of Directors	Mr Olajide Zeitlin (Chairman) Mr. Uche Orji (Managing Director) Mrs. Stella Ojekwe-Onyejeli (Executive Director) Mr. Aminu Umar-Sadiq (Executive Director) Ms. Halima Buba (Non-executive Director) Mr. Urum Kalu Eke, MFR (Non-executive Director) Mr. Asue Ighodalo (Non-executive Director) Mr. Bello Maccido (Non-executive Director) Ms. Lois Laraba Machunga-Disu (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

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
For the 6 month period ended 30 June 2020
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 2020.

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 2020 N'000	Authority 30 June 2019 N'000
Interest and investment income	14,158,473	14,262,744
Net foreign exchange gain	39,187,430	38,505,749
Investment management and custodian fees	(363,055)	(347,669)
Profit before taxation	49,963,490	53,490,799
Total comprehensive income for the period	45,205,531	53,866,631

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
 FRCN/2016/NBA/00000015045

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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



Mrs. Stella Ojekwe-Onyejeli
Executive Director
FRC/2014/IODN/00000005766

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
Consolidated statement of comprehensive income
For the six months period ended 30 June 2020

	<i>Notes</i>	Group	
		Six months ended 30 June	
		2020	2019
		N '000	N '000
Interest income	6	12,687,827	15,065,641
Investment income	7	1,177,319	1,387,282
Interest income on financial assets at FVTPL	8	293,327	504,020
Gain on financial assets	9	319,844	6,860,771
Net foreign exchange gain	10	39,187,430	1,749,724
Total operating income		53,665,747	25,567,438
Investment management fees		(315,031)	(555,820)
Global and local custodian fees		(48,024)	(131,762)
Total investment management and custodian fees		(363,055)	(687,582)
Impairment write back/(charge) on financial assets	11	424,175	1,361,983
Total operating profit		53,726,867	26,241,839
Revenue from infrastructure subsidiaries investments	12	36,567,027	16,520,885
Expense from infrastructure subsidiaries investments	13	(43,701,724)	(17,980,410)
Loss from infrastructure subsidiaries investments		(7,134,697)	(1,459,525)
Other income		5,693,097	1,346,791
Operating and administrative expenses		(2,075,525)	(2,222,960)
Interest expense		(1,472,211)	(1,945,208)
Share of profit of investments accounted for using the equity method	19	1,225,959	541,761
Profit before taxation		49,963,490	22,502,698
Taxation		-	-
Profit for the period		49,963,490	22,502,698
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Net change in fair value of financial assets at FVOCI	26.3	375,832	1,675,647
Share of other comprehensive income/(loss) of associates and joint venture	19	84,872	26,433
Exchange differences on translating foreign operations	26.4	(5,218,663)	(162,360)
Other comprehensive income/(loss) for the period		(4,757,959)	1,539,720
Total comprehensive income for the period		45,205,531	24,042,418
Profit/(loss) attributable to:			
Owners of NSIA		49,981,566	22,502,849
Non-controlling interest		(18,076)	(151)
		49,963,490	22,502,698
Total comprehensive income/(loss) attributable to:			
Owners of NSIA		45,223,607	24,042,436
Non-controlling interest		(18,076)	(18)
		45,205,531	24,042,418

The accompanying notes on pages 11 to 24 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 comprehensive income
For the three months period ended 30 June 2020

		Group	
		Three months ended 30 June	
		2020	2019
		N '000	N '000
	<i>Notes</i>		
Interest income	6	3,881,603	7,188,657
Investment income	7	376,860	855,613
Interest income on financial assets at FVTPL	8	127,756	263,731
Gain on financial assets	9	2,545,874	442,313
Net foreign exchange gain	10	(18,293,174)	54,577
Total operating income		(11,361,081)	8,804,891
Investment management fees		(174,937)	(314,687)
Global and local custodian fees		(18,478)	(92,113)
Total investment management and custodian fees		(193,415)	(406,800)
Impairment write back/(charge) on financial assets	11	(527,284)	813,497
Total operating profit		(12,081,780)	9,211,588
Revenue from infrastructure subsidiaries investments	12	33,479,136	11,860,750
Expense from infrastructure subsidiaries investments	13	(38,462,345)	(12,808,114)
Loss from infrastructure subsidiaries investments		(4,983,209)	(947,364)
Other income		5,337,593	(662,046)
Operating and administrative expenses		(1,177,946)	(1,437,681)
Interest expense		(864,006)	(1,107,196)
Share of profit of investments accounted for using the equity method	19	210,921	304,349
Profit before taxation		(13,558,427)	5,361,650
Taxation		-	-
Profit for the period		(13,558,427)	5,361,650
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Net change in fair value of financial assets at FVOCI	26.3	574,272	1,293,335
Share of other comprehensive income/(loss) of associates and joint venture	19	113,896	(2,499)
Exchange differences on translating foreign operations	26.4	(166,021)	(68,063)
Other comprehensive income/(loss) for the period		522,147	1,222,773
Total comprehensive income for the period		(13,036,280)	6,584,423
Profit/(loss) attributable to:			
Owners of NSIA		(13,552,000)	5,361,981
Non-controlling interest		(6,427)	(331)
Total comprehensive income/(loss) attributable to:		(13,558,427)	5,361,650
Owners of NSIA		(13,029,853)	6,584,754
Non-controlling interest		(6,427)	(331)
		(13,036,280)	6,584,423

The accompanying notes on pages 11 to 24 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 six months period ended 30 June 2020

	Notes	Authority			
		Six months ended 30 June		Three months ended 30 June	
		2020	2019	2020	2019
		N '000	N '000	N '000	N '000
Interest income	6	12,045,325	15,018,474	3,542,687	7,188,485
Investment income	7	1,924,092	656,339	1,145,977	406,395
Interest income on financial assets at FVTPL	8	293,327	504,020	127,756	263,731
Gain on financial assets	9	2,288,700	8,083,919	4,323,479	1,704,947
Net foreign exchange gain	10	38,505,749	1,640,322	(18,542,655)	54,370
Total operating income		55,057,193	25,903,074	(9,402,756)	9,617,928
Investment management fees		(302,679)	(555,820)	(149,765)	(437,300)
Global and local custodian fees		(44,990)	(131,405)	(15,653)	(91,926)
Total investment management and custodian fees		(347,669)	(687,225)	(165,418)	(529,226)
Impairment write back on financial assets	11	424,175	430,532	527,284	27,732
Total operating profit		55,133,699	25,646,381	(9,040,890)	9,116,434
Other income		4,711	9,697	3,737	1,102
Operating and administrative expenses		(1,646,113)	(1,610,726)	(875,218)	(945,206)
Interest expense	16	(1,498)	-	(749)	-
Profit before taxation		53,490,799	24,045,352	(9,913,120)	8,172,330
Taxation		-	-	-	-
Profit for the period		53,490,799	24,045,352	(9,913,120)	8,172,330
Other comprehensive income:					
Items that may be reclassified to profit or loss					
Net change in fair value of financial assets at FVOCI	26.3	375,832	1,685,770	574,272	1,292,629
Other comprehensive income for the period		375,832	1,685,770	574,272	1,292,629
Total comprehensive income for the period		53,866,631	25,731,122	(9,338,848)	9,464,959

The accompanying notes on pages 11 to 24 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 June 2020

		Group 30 June 2020 N '000	Group 31 December 2019 N '000	Authority 30 June 2020 N '000	Authority 31 December 2019 N '000
Assets					
Cash and cash equivalents	15	105,375,263	216,047,631	87,382,251	185,736,007
Investment securities	14	601,834,349	360,087,275	571,803,569	324,361,629
Restricted balances and other assets	16	62,977,163	51,019,551	81,169,395	75,878,818
Inventories	17	19,431,996	4,615,646	-	-
Investment in subsidiaries	18	-	-	895,797	1,753,398
Investments accounted for using the equity method	19	18,568,911	15,226,911	10,614,990	10,614,990
Right of use asset	22	221,810	249,905	22,064	43,488
Property and equipment	21	2,564,018	2,498,894	369,873	370,522
Intangible assets	23	139,516	100,235	139,516	100,235
Total assets		811,113,026	649,846,048	752,397,455	598,859,087
Liabilities					
Other liabilities	24	75,760,944	47,177,240	36,687,307	27,015,570
Borrowings	25	20,611,125	23,133,382	-	-
Total liabilities		96,372,069	70,310,622	36,687,307	27,015,570
Equity					
Equity attributable to equity holders of parent					
Contribution by Government	26.1	370,662,500	280,662,500	370,662,500	280,662,500
Retained earnings	26.2	341,008,393	291,026,827	341,241,319	287,750,520
Fair value reserve	26.3	4,401,843	3,941,139	3,806,329	3,430,497
Foreign currency translation reserve	26.4	(1,310,805)	3,907,858	-	-
		714,761,931	579,538,324	715,710,148	571,843,517
Non-controlling interest	26.5	(20,974)	(2,898)	-	-
		714,740,957	579,535,426	715,710,148	571,843,517
Total equity and liabilities		811,113,026	649,846,048	752,397,455	598,859,087

Signed on behalf of the Board of Directors on, October 2020 by:



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



Mrs Stella Ojekwe-Onyejeli
 Executive Director
 FRC/2014/ICAN/00000005766

Additionally certified by:



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

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Nigeria Sovereign Investment Authority

Unaudited condensed consolidated and separate interim financial statements

Statement of changes in equity

For the 6 month period ended 30 June 2020

Group	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
Balance at 1 January 2019	280,662,500	4,382,101	1,786,620	256,550,342	5,823	543,387,386
Profit for the period	-	-	-	28,170,473	888	28,171,361
Currency translation differences	-	(3,457,687)	-	-	965	(3,456,722)
Net change in fair value of financial assets FVOCI	-	-	463,791	-	(775)	463,016
Share of other comprehensive income of associates	-	-	(6,103)	-	-	(6,103)
Total other comprehensive income/(loss) for the period	-	(3,457,687)	457,688	-	190	(2,999,809)
Total comprehensive income/(loss) for the period	-	(3,457,687)	457,688	28,170,473	1,078	25,171,552
Balance at 30 June 2019	280,662,500	(3,457,687)	457,688	28,170,473	1,078	25,171,552
Group 30 June 2020						
Group	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
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	90,000,000	-	-	-	-	90,000,000
Profit/(loss) for the period	-	-	-	49,981,566	(18,076)	49,963,490
Currency translation differences	-	(5,218,663)	-	-	-	(5,218,663)
Net change in fair value of financial assets FVOCI	-	-	375,832	-	-	375,832
Share of other comprehensive income of associates and joint venture	-	-	84,872	-	-	84,872
Total other comprehensive income/ (loss) for the period	-	(5,218,663)	460,704	-	-	(4,757,959)
Total comprehensive income/(loss) for the period	-	(5,218,663)	460,704	49,981,566	(18,076)	45,205,531
Balance at 30 June 2020	370,662,500	(1,310,805)	4,401,843	341,008,393	(20,974)	714,740,957

The accompanying notes on pages 11 to 24 form an integral part of these condensed consolidated and separate financial statements.

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
Statement of changes in equity
For the 6 month period ended 30 June 2020

	Contribution by Government N '000	Fair value reserve N '000	Retained earnings N '000	Total equity N '000
Authority				
Balance at 1 January 2019	280,662,500	2,245,070	253,690,496	536,598,066
Profit for the period	-	-	24,045,352	24,045,352
Net change in fair value of financial assets at FVOCI	-	1,685,770	-	1,685,770
Total other comprehensive income for the period	-	1,685,770	-	1,685,770
Total comprehensive income for the period	-	1,685,770	24,045,352	25,731,122
Balance at 30 June 2019	280,662,500	3,930,840	277,735,848	562,329,188
Authority 30 June 2020				
Authority				
Balance at 1 January 2020	280,662,500	3,430,497	287,750,520	571,843,517
Contribution by Government	90,000,000	-	-	-
Profit for the period	-	-	53,490,799	53,490,799
Net change in fair value of financial assets at FVOCI	-	375,832	-	375,832
Total other comprehensive income for the period	-	375,832	-	375,832
Total comprehensive income for the period	-	375,832	53,490,799	53,866,631
Balance at 30 June 2020	370,662,500	3,806,329	341,241,319	715,710,148

The accompanying notes on pages 11 to 24 form an integral part of these condensed consolidated and separate financial statements.

Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
Statement of cash flows
For the 6 month period ended 30 June 2020

	Notes	Group 30 June 2020 N '000	Group 30 June 2019 N '000	Authority 30 June 2020 N '000	Authority 30 June 2019 N '000
Cash flow from operating activities					
Profit/(loss) before income tax		49,963,490	22,575,391	53,490,799	24,045,352
Adjustments to reconcile profit/(loss) before tax to net cash flow from operating activities:					
Depreciation charge for the period	15	116,470	81,245	72,035	81,152
Amortisation of intangible assets	15	11,056	-	11,218	-
Interest income	6	(12,687,827)	(15,065,641)	(12,045,325)	(15,018,474)
Investment income	7	(1,177,319)	(1,387,282)	(1,924,092)	(656,339)
Interest income on financial assets at FVTPL	8	(293,327)	(504,020)	(293,327)	(504,020)
Net foreign exchange gains	10	(39,187,430)	(1,749,724)	(38,505,749)	(1,640,322)
Unrealised gain/(loss) on financial instruments at FVTPL		7,560,363	(6,465,492)	5,591,507	(7,688,640)
Benefit from below market rate loan		(977,744)	(1,326,731)	-	-
Impairment (write back)/charge	11	(424,175)	(1,361,983)	(424,175)	(430,532)
Interest expense		1,472,211	1,945,208	1,498	-
Share of profit from associate and joint venture	19	(1,225,959)	(541,761)	-	-
Movements in operating assets/ liabilities:					
Inventories		(14,816,350)	1,749,963	-	-
Other assets		(11,957,612)	(8,596,932)	(5,290,577)	(6,624,256)
Other liabilities		28,583,704	14,162,066	9,671,737	8,081,684
Cash (used in)/generated from operations		4,959,551.00	3,514,307	10,355,549	(354,395)
Tax paid		(119,259)	-	-	-
Net cash generated from/(used) in operating activities		4,840,292	3,514,307	10,355,549	(354,395)
Cash flows from investing activities					
Purchase of property and equipment	21	(332,955)	(230,200)	(71,386)	(142,199)
Purchase of other intangible assets	23	(50,499)	(30,085)	(50,499)	(30,085)
Payment for financial assets at fair value		(397,422,971)	(25,554,407)	(394,309,209)	(16,821,538)
Proceeds from sale of financial assets at fair value		90,956,126	7,817,749	90,601,038	7,817,749
Acquisition of financial assets held at amortised cost		(69,375,294)	(105,443,534)	(66,480,174)	(105,443,534)
Proceeds from maturity and sale of financial assets held at amortised cost		157,502,211	120,309,596	149,257,212	120,309,596
Investment and interest income received		10,890,055	3,545,789	10,770,906	2,302,174
Proceeds due to return of capital from subsidiaries		-	-	3,250,000	-
Acquisition of further investments in joint ventures/associates		(2,031,169)	-	-	-
Net cash (used)/generated in investing activities		(209,864,496)	414,908	(207,032,112)	7,992,163
Cash flows from financing activities					
Contribution by Government		90,000,000	-	90,000,000	-
Interest expense		(3,994,171)	(1,945,208)	-	-
Net cash generated/(used) in financing activities		86,005,829	(1,945,208)	90,000,000	-
Net cash movement for the period		(119,018,375)	1,984,007	(106,676,563)	7,637,768
Cash and cash equivalents at beginning of period		216,047,631	76,154,290	185,736,007	61,777,335
Net exchange gains/(losses) on cash and cash equivalents		8,346,007	-	8,322,807	-
Cash and cash equivalents at period end		105,375,263	78,138,297	87,382,251	69,415,103
Cash and cash equivalents comprise:					
Cash in hand		2,721	11	579	11
Bank balances		21,214,851	42,486,404	3,223,981	36,249,569
Placements with financial institutions		84,157,691	35,651,882	84,157,691	33,165,523
Total cash and cash equivalents		105,375,263	78,138,297	87,382,251	69,415,103

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Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
For the 6 month period ended 30 June 2020
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.

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 2019 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 (2020) include;

- Definition of material - Amendment to IAS 1 and IAS 8
- Definition of business - Amendment to IFRS 3
- Revised conceptual framework for financial reporting
- Interest rate benchmark reform - Amendments to IFRS 9, IAS 39 and IFRS 7

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 June 2020 N '000	Group 31 December 2019 N '000	Authority 30 June 2020 N '000	Authority 31 December 2019 N '000
Cash in hand	2,721	2,944	579	2,944
Bank balances	21,214,851	138,865,158	3,223,981	108,553,534
Money market placements	84,157,691	77,179,529	84,157,691	77,179,529
Total cash and cash equivalents	105,375,263	216,047,631	87,382,251	185,736,007

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 2020 N '000	Group 30 June 2019 N '000	Authority 30 June 2020 N '000	Authority 30 June 2019 N '000
FVTPL investments (US treasury notes)	20,935,954	27,485,814	20,935,954	27,485,814
FVTPL investments (Fixed income products)	15,975,220	29,778,233	15,975,220	29,778,233
	36,911,174	57,264,047	36,911,174	57,264,047
Group				
30 June 2020 (All amounts are in thousands of Naira)			Impact on Impact of 5% strengthening	Impact of 5% weakening
			1,845,559	(1,845,559)
30 June 2019 (All amounts are in thousands of Naira)			Impact on Impact of 5% strengthening	Impact of 5% weakening
			2,863,202	(2,863,202)
Authority				
30 June 2020 (All amounts are in thousands of Naira)			Impact on Impact of 5% strengthening	Impact of 5% weakening
			1,845,559	(1,845,559)
30 June 2019 (All amounts are in thousands of Naira)			Impact on Sensitivity to 5% strengthening	Sensitivity to 5% weakening
			2,863,202	(2,863,202)

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 2020. All fair value measurements disclosed are recurring fair value measurements.

Group

30 June 2020

Financial assets at FVOCI

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
NG Clearing Ltd	-	-	1,059,500	1,059,500
MTN securities	3,532,826	-	-	3,532,826
Bridge Academies Limited	-	-	2,304,000	2,304,000
	3,532,826	-	3,363,500	6,896,326

31 December 2019

Financial assets at FVOCI

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
NG Clearing Ltd	-	-	523,000	523,000
MTN securities	3,156,993	-	-	3,156,993
Bridge Academies Limited	-	-	2,080,000	2,080,000
	3,156,993	-	2,603,000	5,759,993

Authority

30 June 2020

Financial assets at FVOCI

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
NG Clearing Ltd	-	-	1,059,500	1,059,500
MTN securities	3,532,826	-	-	3,532,826
	3,532,826	-	1,059,500	4,592,326

Authority

31 December 2019

Financial assets at FVOCI

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
NG Clearing Ltd	-	-	523,000	523,000
MTN securities	3,156,993	-	-	3,156,993
	3,156,993	-	523,000	3,679,993

Financial assets at fair value through profit or loss

Group

30 June 2020

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Currency swap	-	316,762,562	-	316,762,562
Private equity investments	-	-	65,238,345	65,238,345
Hedge fund and long only equity investments	-	-	79,248,269	79,248,269
Nigeria Infrastructure Debt Fund	-	1,596,061	-	1,596,061
Fixed income products	-	15,975,220	-	15,975,220
US treasury notes	-	20,935,954	-	20,935,954
	-	355,269,797	144,486,614	499,756,411

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Group				
31 December 2019				
	Level 1	Level 2	Level 3	Total
	N '000	N '000	N '000	N '000
Currency swap	-	62,687,710	-	62,687,710
Private equity investments	-	-	57,169,278	57,169,278
Hedge fund and long only equity investments	-	-	67,462,348	67,462,348
Nigeria Infrastructure Debt Fund	-	1,626,000	-	1,626,000
Fixed income products	-	27,713,425	-	27,713,425
US treasury notes	-	30,465,259	-	30,465,259
	-	122,492,394	124,631,626	247,124,020
Authority				
30 June 2020				
	Level 1	Level 2	Level 3	Total
	N '000	N '000	N '000	N '000
Currency swap	-	316,762,562	-	316,762,562
Private equity investments	-	-	42,214,378	42,214,378
Hedge funds and long only equity investments	-	-	79,248,269	79,248,269
Nigeria Infrastructure Debt Fund	-	1,596,061	-	1,596,061
US treasury notes	-	15,975,220	-	15,975,220
Fixed income products	-	20,935,954	-	20,935,954
	-	355,269,797	121,462,647	476,732,444
Authority				
31 December 2019				
	Level 1	Level 2	Level 3	Total
	N '000	N '000	N '000	N '000
Currency swap	-	62,687,710	-	62,687,710
Private equity investments	-	-	37,045,262	37,045,262
Hedge funds and long only equity investments	-	-	67,462,348	67,462,348
Nigeria Infrastructure Debt Fund	-	1,626,000	-	1,626,000
US treasury notes	-	27,713,425	-	27,713,425
Fixed income products	-	30,465,259	-	30,465,259
	-	122,492,394	104,507,610	227,000,004

(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 2020 for financial assets measured at fair value.

	Group 30 June 2020 N '000	Group 31 December 2019 N '000	Authority 30 June 2020 N '000	Authority 31 December 2019 N '000
Financial assets measured at FVOCI - Bridge Academies Limited and NG Clearing				
Opening balance	2,603,000	2,062,835	523,000	523,000
Additions in the period	536,500	-	536,500	-
Disposal in the period	-	(213,835)	-	-
Fair value gain	-	754,000	-	-
Exchange gain	224,000	-	-	-
Closing balance	3,363,500	2,603,000	1,059,500	523,000
Financial assets at fair value through profit or loss - Private equity				
Opening balance	57,169,278	43,559,000	37,045,262	26,933,165
Additions in the period	5,469,032	22,822,452	2,355,270	9,562,337
Disposals, repayments and distributions received	(553,750)	(10,012,286)	(198,662)	(1,762,780)
Fair value (loss)/gain	(1,072,173)	801,572	(1,213,450)	2,314,000
Exchange gain	4,225,958	(1,460)	4,225,958	(1,460)
Closing balance	65,238,345	57,169,278	42,214,378	37,045,262
Financial assets at fair value through profit or loss - Hedge funds				
Opening balance	67,462,348	69,343,323	67,462,348	69,343,323
Additions in the period	10,386,704	16,799,224	10,386,704	16,799,224
Disposals, repayments and distributions received	(527,605)	(24,771,957)	(527,605)	(24,771,957)
Fair value (loss)/gain	(5,777,870)	6,091,758	(5,777,870)	6,091,758
Exchange gain	7,704,692	-	7,704,692	-
Closing balance	79,248,269	67,462,348	79,248,269	67,462,348

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:

		Group 30 June 2020 N '000	Authority 30 June 2020 N '000
Financial assets at fair value through profit or loss			
5% changes in fair value	Inputs	Difference	Difference
Fair value movement		(342,502)	(349,566)
Fair value movement	NAV/Fair value	342,502	349,566

There were no level 3 instruments classified at FVOCI.

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6 Interest income

	Group				Authority			
	Six months ended 30 June		Three months ended 30 June		Six months ended 30 June		Three months ended 30 June	
	2020	2019	2020	2019	2020	2019	2020	2019
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Interest income on Nigerian treasury bills	540,421	209,671	256,846	52,418	22,309	209,671	298	52,418
Interest income on fixed deposits	2,446,861	2,796,456	1,171,273	1,428,406	2,373,786	2,796,456	1,133,620	1,428,406
Interest income on open market operation bills	9,584,262	11,528,996	2,351,274	5,469,992	9,584,262	11,528,996	2,351,274	5,469,992
Interest income on Eurobonds	-	338,456	-	187,413	-	338,456	-	187,413
Interest income on loans	44,688	46,947	44,688	-	-	-	-	-
Interest income on bank balances	71,595	145,115	57,522	50,428	64,968	144,895	57,495	50,256
	12,687,827	15,065,641	3,881,603	7,188,657	12,045,325	15,018,474	3,542,687	7,188,485

7 Investment income

	Group				Authority			
	Six months ended 30 June		Three months ended 30 June		Six months ended 30 June		Three months ended 30 June	
	2020	2019	2020	2019	2020	2019	2020	2019
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Investment income from securities	1,177,319	1,387,282	376,860	855,613	1,924,092	656,339	1,145,977	406,395
	1,177,319	1,387,282	376,860	855,613	1,924,092	656,339	1,145,977	406,395

8 Interest income on financial assets at FVTPL

	Group				Authority			
	Six months ended 30 June		Three months ended 30 June		Six months ended 30 June		Three months ended 30 June	
	2020	2019	2020	2019	2020	2019	2020	2019
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Interest income on US treasury notes	175,724	232,218	75,012	124,313	175,724	232,218	75,012	124,313
Interest income from fixed income products	117,603	271,802	52,744	139,418	117,603	271,802	52,744	139,418
	293,327	504,020	127,756	263,731	293,327	504,020	127,756	263,731

9 Gain on financial assets

	Group				Authority			
	Six months ended 30 June		Three months ended 30 June		Six months ended 30 June		Three months ended 30 June	
	2020	2019	2020	2019	2020	2019	2020	2019
	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)	140,383	6,250,312	2,422,167	108,202	2,109,239	7,473,460	4,199,772	1,370,836
Net gain on US treasury notes and fixed income products	179,461	610,459	123,707	334,111	179,461	610,459	123,707	334,111
	319,844	6,860,771	2,545,874	442,313	2,288,700	8,083,919	4,323,479	1,704,947

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

	Group				Authority			
	Six months ended 30 June		Three months ended 30 June		Six months ended 30 June		Three months ended 30 June	
	2020	2019	2020	2019	2020	2019	2020	2019
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Unrealised (loss)/gain on financial swap	(8,629,506)	2,604,893	6,978,428	(2,218,270)	(8,629,506)	2,604,893	6,978,428	(2,218,270)
Realised gain/(loss) on financial swap	5,945,005	689,286	5,945,005	2,895,572	5,945,005	689,286	5,945,005	2,895,572
Fair value changes on private equity, hedge funds and other securities	1,069,143	3,860,599	(11,173,402)	281,182	3,037,999	5,083,747	(9,395,797)	1,543,816
Net gain/(loss) on sale of equity instruments	1,755,741	(904,466)	672,136	(850,282)	1,755,741	(904,466)	672,136	(850,282)
	140,383	6,250,312	2,422,167	108,202	2,109,239	7,473,460	4,199,772	1,370,836

10 Net foreign exchange gain

	Group				Authority			
	Six months ended 30 June		Three months ended 30 June		Six months ended 30 June		Three months ended 30 June	
	2020	2019	2020	2019	2020	2019	2020	2019
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Net foreign exchange gain	39,187,430	1,749,724	(18,293,174)	54,577	38,505,749	1,640,322	(18,542,655)	54,370
	39,187,430	1,749,724	(18,293,174)	54,577	38,505,749	1,640,322	(18,542,655)	54,370

11 Impairment charge/(write back) on financial assets

	Group				Authority			
	Six months ended 30 June		Three months ended 30 June		Six months ended 30 June		Three months ended 30 June	
	2020	2019	2020	2019	2020	2019	2020	2019
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Investment securities	583,131	(430,114)	686,240	(23,529)	583,131	(430,998)	686,240	(27,966)
Other assets	(158,956)	(931,869)	(158,956)	837,026	(158,956)	466	(158,956)	234
	424,175	(1,361,983)	527,284	813,497	424,175	(430,532)	527,284	(27,732)

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12 Revenue from infrastructure subsidiaries investments

	Group				Authority			
	Six months ended 30 June		Three months ended 30 June		Six months ended 30 June		Three months ended 30 June	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Revenue from sale of fertilizers	20,155,496	16,520,885	17,067,605	11,860,750	-	-	-	-
Revenue from sale of fertilizer inputs	16,384,283	-	16,384,283	-	-	-	-	-
Revenue from healthcare services	27,248	-	27,248	-	-	-	-	-
	36,567,027	16,520,885	33,479,136	11,860,750	-	-	-	-

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			
	Six months ended 30 June		Three months ended 30 June		Six months ended 30 June		Three months ended 30 June	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Cost of sales on fertilizers and fertilizer inputs	43,673,951	17,980,410	38,434,572	12,808,114	-	-	-	-
Expenses on healthcare services	27,773	-	27,773	-	-	-	-	-
	43,701,724	17,980,410	38,462,345	12,808,114	-	-	-	-

14 Investment securities

		Group		Authority	
		30 June 2020 N '000	31 December 2019 N '000	30 June 2020 N '000	31 December 2019 N '000
		Financial assets measured at amortised cost	14.1	95,181,612	107,203,262
Financial assets measured at FVOCI	14.2	6,896,326	5,759,993	4,592,326	3,679,993
Financial assets at fair value through profit or loss	14.3	499,756,411	247,124,020	476,732,444	227,000,004
		601,834,349	360,087,275	571,803,569	324,361,629

14.1 Financial assets measured at amortised cost

		Group		Authority	
		30 June 2020 N '000	31 December 2019 N '000	30 June 2020 N '000	31 December 2019 N '000
		Nigerian treasury bills		969,765	925,744
Open market operations bills (OMO bills)		-	9,302,663	-	-
Fixed deposits		92,500,058	95,974,599	89,581,721	93,411,705
Loans and receivables		1,831,078	1,656,073	-	-
		95,300,901	107,859,079	90,551,486	94,337,449
Impairment /expected credit loss		(119,289)	(655,817)	(72,687)	(655,817)
		95,181,612	107,203,262	90,478,799	93,681,632
Maturity analysis:					
Current		95,181,612	107,203,262	90,478,799	93,681,632
Non-current		-	-	-	-
		95,181,612	107,203,262	90,478,799	93,681,632

14.1.1 Impairment /expected credit loss

		Group		Authority	
		30 June 2020 N '000	31 December 2019 N '000	30 June 2020 N '000	31 December 2019 N '000
		As at beginning of period		655,817	620,955
(Write back)/Provision for expected credit losses		(536,528)	34,862	(583,130)	85,891
As at end of period		119,289	655,817	72,687	655,817

14.2 Financial assets measured at FVOCI

		Group		Authority	
		30 June 2020 N '000	31 December 2019 N '000	30 June 2020 N '000	31 December 2019 N '000
		Equity instruments			
NG Clearing Limited		1,059,500	523,000	1,059,500	523,000
MTN securities		3,532,826	3,156,993	3,532,826	3,156,993
Bridge Academies Limited		2,304,000	2,080,000	-	-
		6,896,326	5,759,993	4,592,326	3,679,993
Maturity analysis:					
Non-current		6,896,326	5,759,993	4,592,326	3,679,993
		6,896,326	5,759,993	4,592,326	3,679,993

14.3 Financial assets at fair value through profit or loss

		Group		Authority	
		30 June 2020 N '000	31 December 2019 N '000	30 June 2020 N '000	31 December 2019 N '000
		Currency swap		316,762,562	62,687,710
Private equity investments		65,238,345	57,169,278	42,214,378	37,045,262
Hedge fund and long only equity		79,248,269	67,462,348	79,248,269	67,462,348
Nigeria Infrastructure Debt Fund		1,596,061	1,626,000	1,596,061	1,626,000
Fixed income products		15,975,220	30,465,259	15,975,220	30,465,259
US treasury notes		20,935,954	27,713,425	20,935,954	27,713,425
		499,756,411	247,124,020	476,732,444	227,000,004
Maturity analysis:					
Current		340,110,021	120,866,394	340,110,021	120,866,394
Non-current		159,646,390	126,257,626	136,622,423	106,133,610
		499,756,411	247,124,020	476,732,444	227,000,004

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15 Cash and cash equivalents

	Group	Group	Authority	Authority
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	N '000	N '000	N '000	N '000
Cash on hand	2,721	2,944	579	2,944
Bank balances	21,214,851	138,865,158	3,223,981	108,553,534
Money market placements	84,157,691	77,179,529	84,157,691	77,179,529
	105,375,263	216,047,631	87,382,251	185,736,007

16 Restricted balances and other assets

	Group	Group	Authority	Authority
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	N '000	N '000	N '000	N '000
Financial assets:				
Other receivables	14,799,139	23,536,829	11,187,890	22,646,427
Account receivables	21,338,364	9,795,174	230,557	4,461,410
Intercompany receivables	-	-	70,686,363	49,517,554
Cost incurred on behalf of the Federal Government of Nigeria	16,113,745	16,113,745	-	-
Restricted balance	3,614	1,500	-	-
	52,254,862	49,447,248	82,104,810	76,625,391
Impairment /expected credit loss	(1,039,070)	(1,101,976)	(1,039,070)	(880,113)
Total financial assets	51,215,792	48,345,272	81,065,740	75,745,278
Non-financial assets:				
Prepayment	11,761,371	2,674,279	103,655	133,540
	62,977,163	51,019,551	81,169,395	75,878,818

17 Inventories

	Group	Group	Authority	Authority
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	N '000	N '000	N '000	N '000
Raw materials	14,111,163	1,921,575	-	-
Finished goods	5,246,854	2,694,071	-	-
Consumables	73,979	-	-	-
	19,431,996	4,615,646	-	-
Maturity analysis:				
Current	19,431,996	4,615,646	-	-
	19,431,996	4,615,646	-	-

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18 Investments in subsidiaries

	Authority 30 June 2020 N '000	Authority 31 December 2019 N '000
At the beginning of the period	1,753,398	5,116,826
Additions during the period	-	1,000
Disposals during the period**	(857,601)	-
Acquisition of non-controlling interest in KG Brussels	-	8,125
Reclassification to shares in FGFs	-	(3,372,553)
At the end of the period	<u>895,797</u>	<u>1,753,398</u>

**During the period, there was a \$5.1 million return of capital from KG Brussels - a subsidiary wholly owned by the Authority

18.1 Information on subsidiary entities controlled by the Authority

Name of entity	Place of business/ Country of incorporation	% of ownership interest	% of ownership interest	Carrying amount	Carrying amount
		30 June 2020	31 December 2019	30 June 2020 N '000	31 December 2019 N '000
NSIA Motorways Investment Company (NMIC)	Nigeria	99.99%	99.99%	1,000	1,000
KG Brussels LP	USA	99.97%	99.97%	886,797	1,744,398
KG Acquisition I LLC	USA	100%	100%	-	-
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>1,753,398</u>

19 Investments accounted for using the equity method

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

	Group 30 June 2020 N '000	Group 31 December 2019 N '000	Authority 30 June 2020 N '000	Authority 31 December 2019 N '000
Associates and joint ventures	18,568,911	15,226,911	10,614,990	10,614,990

The amounts recognised in the statement of comprehensive income are as

Associates and joint ventures	1,310,831	1,579,032	-	-
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The table below shows a detailed movement of this balance:

	Group 30 June 2020 N '000	Group 31 December 2019 N '000	Authority 30 June 2020 N '000	Authority 31 December 2019 N '000
At the beginning of the period	15,226,911	13,647,879	10,614,990	10,614,990
Additions during the period	2,031,169	-	-	-
Share of profit of associate and joint venture	1,225,959	1,363,940	-	-
Share of fair value reserves of associate and joint venture	84,872	215,092	-	-
At the end of the period	<u>18,568,911</u>	<u>15,226,911</u>	<u>10,614,990</u>	<u>10,614,990</u>
Maturity analysis:				
Non-current	<u>18,568,911</u>	<u>15,226,911</u>	<u>10,614,990</u>	<u>10,614,990</u>

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21 Property and equipment Group	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
Cost						
As at 1 January 2019	115,031	334,845	175,325	2,071	1,343,974	1,971,246
Additions in the year	22,394	190,961	595	-	784,398	998,348
As at 31 December 2019	137,425	525,806	175,920	2,071	2,128,372	2,969,594
As at 1 January 2020	137,425	525,806	175,920	2,071	2,128,372	2,969,594
Additions in the period	78,638	33,541	28,193	192,583	-	332,955
Transfers to other assets	-	-	-	-	(209,580)	(209,580)
As at 30 June 2020	216,063	559,347	204,113	194,654	1,918,792	3,092,969
Accumulated depreciation						
As at 1 January 2019	73,602	146,216	133,825	587	-	354,230
Charge for the year	16,991	82,058	16,172	1,249	-	116,470
As at 31 December 2019	90,593	228,274	149,997	1,836	-	470,700
As at 1 January 2020	90,593	228,274	149,997	1,836	-	470,700
Charge for the period	6,147	39,819	12,216	69	-	58,251
As at 30 June 2020	96,740	268,093	162,213	1,905	-	528,951
Carrying amount						
As at 30 June 2020	119,323	291,254	41,900	192,749	1,918,792	2,564,018
As at 31 December 2019	46,832	297,532	25,923	235	2,128,372	2,498,894
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 2019	115,031	321,061	175,326	2,071		613,489
Additions in the year	22,394	190,961	594	-		213,949
As at 31 December 2019	137,425	512,022	175,920	2,071		827,438
As at 1 January 2020	137,425	512,022	175,920	2,071		827,438
Additions in the period	180	47,325	23,881	-		71,386
As at 30 June 2020	137,605	559,347	199,801	2,071		898,824
Accumulated depreciation						
As at 1 January 2019	79,298	130,972	128,682	1,587		340,539
Charge for the year	11,295	83,518	21,315	249		116,377
As at 31 December 2019	90,593	214,490	149,997	1,836		456,916
As at 1 January 2020	90,593	214,490	149,997	1,836		456,916
Charge for the period	6,147	53,603	12,216	69		72,035
As at 30 June 2020	96,740	268,093	162,213	1,905		528,951
Carrying amount						
As at 30 June 2020	40,865	291,254	37,588	166		369,873
As at 31 December 2019	46,832	297,532	25,923	235		370,522
22 Right of use asset						
		Group	Group	Authority	Authority	
		30 June	31 December	30 June	31 December	
		2020	2019	2020	2019	
		N '000	N '000	N '000	N '000	
Opening balance		249,905	304,338	43,488	86,976	
Depreciation expense		(110,389)	(54,433)	96,028	(43,488)	
		139,516	249,905	139,516	43,488	

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23 Intangible assets	Group	Authority		
Software - 30 June 2020	N '000	N '000		
Cost				
Balance at 1 January 2020	126,536	126,374		
Additions	50,499	50,499		
Disposals	(162)	-		
Balance at 30 June 2020	176,873	176,873		
Amortisation				
Balance at 1 January 2020	26,301	26,139		
Charge for the period	11,056	11,218		
Balance at 30 June 2020	37,357	37,357		
Carrying amount				
Balance at 30 June 2020	139,516	139,516		
Software - 31 December 2019				
Cost				
Balance at 1 January 2019	37,558	37,396		
Additions	88,978	88,978		
Balance at 31 December 2019	126,536	126,374		
Amortisation				
Balance at 1 January 2019	24,665	24,503		
Charge for the period	1,636	1,636		
Balance at 31 December 2019	26,301	26,139		
Carrying amount				
Balance at 31 December 2019	100,235	100,235		
24 Other liabilities				
	Group	Group	Authority	Authority
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	N '000	N '000	N '000	N '000
Financial liability:				
Trade payables	165,060	2,377,517	164,915	1,721,250
Intercompany payables	-	-	17,212,055	8,968,987
Other payables	36,381,581	19,076,465	18,668,964	15,528,802
Payables to the Federal Government of Nigeria in respect of the Second Niger Bridge	18,817,667	18,453,250	-	-
Deferred income on RSSF borrowing	14,036,783	6,366,618	-	-
Lease liability	-	46,502	-	46,502
Accruals	6,359,853	856,888	641,373	750,029
	75,760,944	47,177,240	36,687,307	27,015,570
25 Borrowings				
	Group	Group	Authority	Authority
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	N '000	N '000	N '000	N '000
Financial liabilities at amortised cost				
Real Sector Support Facility (RSSF)	20,611,125	23,133,382	-	-
	20,611,125	23,133,382	-	-
26 Equity and reserves				
	Group	Group	Authority	Authority
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	N '000	N '000	N '000	N '000
Contribution by Government	370,662,500	280,662,500	370,662,500	280,662,500
Retained earnings	341,008,393	291,026,827	341,241,319	287,750,520
Fair value reserve	4,401,843	3,941,139	3,806,329	3,430,497
Foreign currency translation reserve	(1,310,805)	3,907,858	-	-
Non-controlling interest	(20,974)	(2,898)	-	-
	714,740,957	579,535,426	715,710,148	571,843,517

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26.1 Contribution by Government

	Group 30 June 2020 N '000	Group 31 December 2019 N '000	Authority 30 June 2020 N '000	Authority 31 December 2019 N '000
Opening balance	280,662,500	280,662,500	280,662,500	280,662,500
Additions during the period	90,000,000	-	90,000,000	-
	<u>370,662,500</u>	<u>280,662,500</u>	<u>370,662,500</u>	<u>280,662,500</u>

26.2 Retained earnings

	Group 30 June 2020 N '000	Group 31 December 2019 N '000	Authority 30 June 2020 N '000	Authority 31 December 2019 N '000
Opening balance	291,026,827	256,550,342	287,750,520	253,690,496
Profit for the period	49,981,566	34,476,485	53,490,799	34,060,024
	<u>341,008,393</u>	<u>291,026,827</u>	<u>341,241,319</u>	<u>287,750,520</u>

26.3 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 2020 N '000	Group 31 December 2019 N '000	Authority 30 June 2020 N '000	Authority 31 December 2019 N '000
Opening balance	3,941,139	1,786,620	3,430,497	2,245,070
Change in value of financial assets measured at FVOCI	375,832	1,939,427	375,832	1,185,427
Share of change in value of financial assets measured at FVOCI - (Associates)	84,872	215,092	-	-
	<u>4,401,843</u>	<u>3,941,139</u>	<u>3,806,329</u>	<u>3,430,497</u>

26.4 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 2020 N '000	Group 31 December 2019 N '000
Opening balance	3,907,858	4,382,101
Exchange differences arising during the period	(5,218,663)	(474,243)
	<u>(1,310,805)</u>	<u>3,907,858</u>

26.5 Non-controlling interest (NCI)

	Group 30 June 2020 N '000	Group 31 December 2019 N '000
Opening balance	(2,898)	5,823
Loss attributable to NCI	(18,076)	(8,721)
	<u>(20,974)</u>	<u>(2,898)</u>

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22 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, FMCU Advanced Medical Diagnostics Ltd, AKTH Advanced Medical Diagnostics 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, Panda Agricultural Properties Management (Mauritius) Limited and Pandagric Novum Limited are associates of the Authority.

UFF-NAIC Agriculture Management Company (Mauritius) Limited, UFF-NAIC Agriculture Investment Company (Mauritius) Limited, Panda Agricultural Properties Management Ltd, Panda Agricultural Properties Management (Mauritius) Limited, LUTH Advanced Medical Services Ltd and Infrastructure Credit Guarantee Company Limited (INFRACREDIT) are jointly controlled with other entities and are therefore also related parties.



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 statements of financial position of Nigeria Sovereign Investment Authority ("the Authority") and its subsidiaries (together "the Group") as at 30 June 2020 and the related consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, and statements 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 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 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 2020, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standard 34 "Interim financial reporting".

Tolu Adeleke

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

Engagement Partner: Tolulope Adeleke
FRC/2014/ICAN/00000008319



29 March 2021