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Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate
interim financial statements
for the 9 months period ended 30 September 2020

Nigeria Sovereign Investment Authority
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For the 9 month period ended 30 September 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 9 month period ended 30 September 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 9 month period ended 30 September 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 nine month period ended 30 September 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 September 2020 N'000	Authority 30 September 2020 N'000
Interest and investment income	30,474,259	29,696,278
Net foreign exchange gain	55,802,105	54,438,896
Investment management and custodian fees	(698,356)	(636,734)
Profit before taxation	115,810,471	122,188,060
Total comprehensive income for the period	111,297,744	122,905,317

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

Nigeria Sovereign Investment Authority
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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 nine months period ended 30 September 2020

	<i>Notes</i>	Group	
		Nine months ended 30 September	
		2020	2019
		N '000	N '000
Interest income	6	26,276,460	24,936,534
Investment income	7	3,682,280	1,718,364
Interest income on financial assets at FVTPL	8	515,519	791,332
Gain on financial assets	9	37,275,346	1,417,945
Net foreign exchange gain	10	55,802,105	1,751,622
Total operating income		123,551,710	30,615,797
Investment management fees		(612,936)	(722,376)
Global and local custodian fees		(85,420)	(222,416)
Total investment management and custodian fees		(698,356)	(944,792)
Impairment write back/(charge) on financial assets	11	(560,909)	(70,677)
Total operating profit		122,292,445	29,600,328
Revenue from infrastructure subsidiaries investments	12	70,555,897	30,259,861
Expense from infrastructure subsidiaries investments	13	(83,084,275)	(31,704,837)
Loss from infrastructure subsidiaries investments		(12,528,378)	(1,444,976)
Other income		8,062,461	2,056,435
Operating and administrative expenses		(2,210,844)	(3,206,906)
Interest expense		(1,529,497)	(2,936,067)
Share of profit of investments accounted for using the equity method	19	1,724,284	740,049
Profit before taxation		115,810,471	24,808,863
Taxation		-	-
Profit for the period		115,810,471	24,808,863
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Net change in fair value of financial assets at FVOCI	26.3	717,257	(574,953)
Share of other comprehensive income/(loss) of associates and joint venture	19	116,939	169,134
Exchange differences on translating foreign operations	26.4	(5,346,923)	194,391
Other comprehensive income/(loss) for the period		(4,512,727)	(211,428)
Total comprehensive income for the period		111,297,744	24,597,435
Profit/(loss) attributable to:			
Owners of NSIA		115,836,409	24,809,208
Non-controlling interest		(25,938)	(345)
Total comprehensive income/(loss) attributable to:		115,810,471	24,808,863
Owners of NSIA		111,323,682	24,597,713
Non-controlling interest		(25,938)	(278)
		111,297,744	24,597,435

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 September 2020

	<i>Notes</i>	Group	
		Three months ended 30 September	
		2020	2019
		N '000	N '000
Interest income	6	13,588,633	9,917,840
Investment income	7	2,504,961	331,082
Interest income on financial assets at FVTPL	8	222,192	287,312
Gain on financial assets	9	36,955,502	(5,442,826)
Net foreign exchange gain	10	16,614,675	1,898
Total operating income		69,885,963	5,095,306
Investment management fees		(297,905)	(166,556)
Global and local custodian fees		(37,396)	(90,654)
Total investment management and custodian fees		(335,301)	(257,210)
Impairment write back/(charge) on financial assets	11	(985,084)	(1,432,660)
Total operating profit		68,565,578	3,405,436
Revenue from infrastructure subsidiaries investments	12	33,988,870	13,738,976
Expense from infrastructure subsidiaries investments	13	(39,382,551)	(13,724,427)
Loss from infrastructure subsidiaries investments		(5,393,681)	14,549
Other income		2,369,364	709,644
Operating and administrative expenses		(135,319)	(983,946)
Interest expense		(57,286)	(990,859)
Share of profit of investments accounted for using the equity method	19	498,325	198,288
Profit before taxation		65,846,981	2,353,112
Taxation		-	-
Profit for the period		65,846,981	2,353,112
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Net change in fair value of financial assets at FVOCI	26.3	341,425	(2,250,600)
Share of other comprehensive income/(loss) of associates and joint venture	19	32,067	142,701
Exchange differences on translating foreign operations	26.4	(128,260)	356,751
Other comprehensive income/(loss) for the period		245,232	(1,751,148)
Total comprehensive income for the period		66,092,213	601,964
Profit/(loss) attributable to:			
Owners of NSIA		65,861,270	2,353,637
Non-controlling interest		(14,289)	(525)
		65,846,981	2,353,112
Total comprehensive income/(loss) attributable to:			
Owners of NSIA		66,106,502	602,555
Non-controlling interest		(14,289)	(591)
		66,092,213	601,964

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 nine months period ended 30 September 2020

	Notes	Authority			
		Nine months ended 30 September		Three months ended 30 September	
		2020 N '000	2019 N '000	2020 N '000	2019 N '000
Interest income	6	25,634,069	24,936,182	13,588,744	9,917,708
Investment income	7	3,546,690	763,549	2,439,997	107,210
Interest income on financial assets at FVTPL	8	515,519	791,332	222,192	287,312
Gain on financial assets	9	41,284,295	2,205,274	38,995,595	(5,878,645)
Net foreign exchange gain	10	54,438,896	1,642,427	15,933,147	2,105
Total operating income		125,419,469	30,338,764	71,179,675	4,435,690
Investment management fees		(555,171)	(652,327)	(252,492)	(96,507)
Global and local custodian fees		(81,563)	(221,349)	(36,573)	(89,944)
Total investment management and custodian fees		(636,734)	(873,676)	(289,065)	(186,451)
Impairment write back on financial assets	11	(560,909)	373,548	(985,084)	(56,984)
Total operating profit		124,221,826	29,838,636	69,905,526	4,192,255
Other income		559,321	20,990	554,610	11,293
Operating and administrative expenses		(2,591,589)	(2,472,313)	(945,476)	(861,587)
Interest expense	16	(1,498)	-	-	-
Profit before taxation		122,188,060	27,387,313	69,514,660	3,341,961
Taxation		-	-	-	-
Profit for the period		122,188,060	27,387,313	69,514,660	3,341,961
Other comprehensive income:					
Items that may be reclassified to profit or loss					
Net change in fair value of financial assets at FVOCI	26.3	717,257	1,852,593	341,425	166,823
Other comprehensive income for the period		717,257	1,852,593	341,425	166,823
Total comprehensive income for the period		122,905,317	29,239,906	69,856,085	3,508,784

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 September 2020

		Group 30 September 2020 N '000	Group 31 December 2019 N '000	Authority 30 September 2020 N '000	Authority 31 December 2019 N '000
	Notes				
Assets					
Cash and cash equivalents	15	144,201,262	216,047,631	135,672,340	185,736,007
Investment securities	14	662,509,003	360,087,275	632,431,328	324,361,629
Restricted balances and other assets	16	67,392,109	51,019,551	83,220,138	75,878,818
Inventories	17	9,924,030	4,615,646	-	-
Investment in subsidiaries	18	-	-	895,797	1,753,398
Investments accounted for using the equity method	19	19,099,303	15,226,911	10,614,990	10,614,990
Right of use asset	22	211,096	249,905	11,351	43,488
Property and equipment	21	5,564,129	2,498,894	420,021	370,522
Intangible assets	23	233,514	100,235	130,400	100,235
Total assets		909,134,446	649,846,048	863,396,365	598,859,087
Liabilities					
Other liabilities	24	108,837,902	47,177,240	78,647,531	27,015,570
Borrowings	25	19,463,374	23,133,382	-	-
Total liabilities		128,301,276	70,310,622	78,647,531	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	406,863,236	291,026,827	409,938,580	287,750,520
Fair value reserve	26.3	4,775,335	3,941,139	4,147,754	3,430,497
Foreign currency translation reserve	26.4	(1,439,065)	3,907,858	-	-
		780,862,006	579,538,324	784,748,834	571,843,517
Non-controlling interest	26.5	(28,836)	(2,898)	-	-
		780,833,170	579,535,426	784,748,834	571,843,517
Total equity and liabilities		909,134,446	649,846,048	863,396,365	598,859,087

Signed on behalf of the Board of Directors on, January 2021 by:



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



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

Additionally certified by:



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

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 9 month period ended 30 September 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	-	-	-	24,809,208	(345)	24,808,863
Currency translation differences	-	194,391	-	-	1,041	195,432
Net change in fair value of financial assets FVOCI	-	-	(574,953)	-	(974)	(575,927)
Share of other comprehensive income of associates	-	-	169,134	-	-	169,134
Total other comprehensive income/(loss) for the period	-	194,391	(405,819)	-	67	(211,361)
Total comprehensive income/(loss) for the period	-	194,391	(405,819)	24,809,208	(278)	24,597,502
Balance at 30 September 2019	280,662,500	4,576,492	1,380,801	281,359,550	5,545	567,984,888
Group 30 September 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	-	-	-	115,836,409	(25,938)	115,810,471
Currency translation differences	-	(5,346,923)	-	-	-	(5,346,923)
Net change in fair value of financial assets FVOCI	-	-	717,257	-	-	717,257
Share of other comprehensive income of associates and joint venture	-	-	116,939	-	-	116,939
Total other comprehensive income/ (loss) for the period	-	(5,346,923)	834,196	-	-	(4,512,727)
Total comprehensive income/(loss) for the period	-	(5,346,923)	834,196	115,836,409	(25,938)	111,297,744
Balance at 30 September 2020	370,662,500	(1,439,065)	4,775,335	406,863,236	(28,836)	780,833,170

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 9 month period ended 30 September 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	-	-	27,387,313	27,387,313
Net change in fair value of financial assets at FVOCI	-	1,852,593	-	1,852,593
Total other comprehensive income for the period	-	1,852,593	-	1,852,593
Total comprehensive income for the period	-	1,852,593	27,387,313	29,239,906
Balance at 30 September 2019	280,662,500	4,097,663	281,077,809	565,837,972
Authority 30 September 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	-	-	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

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 9 month period ended 30 September 2020

	Notes	Group 30 September 2020 N '000	Group 30 September 2019 N '000	Authority 30 September 2020 N '000	Authority 30 September 2019 N '000
Cash flow from operating activities					
Profit/(loss) before income tax		115,810,471	24,882,344	122,188,060	27,387,313
Adjustments to reconcile profit/(loss) before tax to net cash flow from operating activities:					
Depreciation charge for the period	21	496,044	83,517	112,563	83,517
Amortisation of intangible assets	23	100,036	836	20,334	836
Interest income	6	(26,276,460)	(24,936,534)	(25,634,069)	(24,936,182)
Investment income	7	(3,682,280)	(1,718,364)	(3,546,690)	(763,549)
Interest income on financial assets at FVTPL	8	(515,519)	(791,332)	(515,519)	(791,332)
Net foreign exchange gains	10	(55,802,105)	(1,751,622)	(54,438,896)	(1,642,427)
Unrealised gain/(loss) on financial instruments at FVTPL		(29,275,347)	(2,077,275)	(33,284,296)	(2,077,275)
Benefit from below market rate loan		(977,744)	(2,025,082)	-	-
Impairment (write back)/charge	11	560,909	70,677	560,909	(373,548)
Interest expense		1,529,497	2,936,067	1,498	-
Share of profit from associate and joint venture	19	(1,724,284)	(740,049)	-	-
Movements in operating assets/ liabilities:					
Inventories		(5,308,384)	13,438,787	-	-
Other assets		(16,372,558)	(5,610,324)	(7,341,320)	(6,210,863)
Other liabilities		61,660,662	94,378,163	51,631,961	92,580,778
Cash (used in)/generated from operations		40,222,938.71	96,139,809	49,754,535	83,257,268
Tax paid		(119,259)	-	-	-
Net cash generated from/(used) in operating activities		40,103,680	96,139,809	49,754,535	83,257,268
Cash flows from investing activities					
Purchase of property and equipment	21	(4,742,439)	(827,275)	(162,063)	(184,249)
Purchase of other intangible assets	23	(233,315)	(30,085)	(50,499)	(30,085)
Payment for financial assets at fair value		(407,929,735)	(204,742,562)	(404,195,954)	(199,846,229)
Proceeds from sale of financial assets at fair value		92,032,463	179,898,906	91,677,375	179,898,906
Acquisition of financial assets held at amortised cost		(55,800,117)	(175,007,164)	(51,350,175)	(170,007,164)
Proceeds from maturity and sale of financial assets held at amortised cost		158,789,740	150,754,556	149,257,212	150,754,556
Investment and interest income received		13,617,208	16,669,711	13,433,095	16,534,183
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		(206,297,364)	(33,283,913)	(198,141,009)	(22,880,082)
Cash flows from financing activities					
Contribution by Government		90,000,000	-	90,000,000	-
Interest expense		(3,994,171)	(2,936,067)	-	-
Net cash generated/(used) in financing activities		86,005,829	(2,936,067)	90,000,000	-
Net cash movement for the period		(80,187,855)	59,919,829	(58,386,474)	60,377,186
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		8,341,486	-	8,322,807	-
Cash and cash equivalents at period end		144,201,262	136,074,119	135,672,340	122,154,521
Cash and cash equivalents comprise:					
Cash in hand		20,923	704	2,081	704
Bank balances		51,254,601	133,417,216	42,744,521	122,018,866
Placements with financial institutions		92,925,738	2,656,199	92,925,738	134,951
Total cash and cash equivalents		144,201,262	136,074,119	135,672,340	122,154,521

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Nigeria Sovereign Investment Authority
Unaudited condensed consolidated and separate interim financial statements
For the 9 month period ended 30 September 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, Lombard Odier Global Fixed Income Opportunities Fund.
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, Canyon Partners, RWC Partners Limited, Akina AG, Reverence Capital, Naya GP Limited, Alpstone GMF, G Squared, Fundsmith Equity Fund, Petershill Private Equity, John Street Systematic Fund, Bayview Liquid Credit Strategies Offshore, Cerebrus Institutional Partners, EchoVC Pan Africa Fund II, EFG Global Equity Conviction Fund, Falko, Morgan Stanley Funds of Funds, Sachem Head Capital Management, UBS All Equity China Fund, Lombard Odier European Venture Capital Opportunity Fund II, Fortress, GSAM EM Core, GSAM Emerging Hedge Funds, H.I.G Bayside, Lombard Odier Secondary Fund III, Mantra Invest, Marlin Equity, Oaktree Capital, RMB WestPort, Sun Capital Partner, Synergy Capital Manager, Vanguard, Verod Capital, Wayzata Partners, Whitehorse Liquidity, Artisan Global Opportunities Fund.

2 Structure and content

The financial statements comprise:

- A condensed consolidated and separate statements of financial position at the end of the period;
- A condensed consolidated and separate statements of comprehensive income for the period;
- A condensed consolidated and separate statements of changes in equity for the period;
- A condensed consolidated and separate statements of cash flows for the period;
- 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 September 2020 N '000	Group 31 December 2019 N '000	Authority 30 September 2020 N '000	Authority 31 December 2019 N '000
Cash in hand	20,923	2,944	2,081	2,944
Bank balances	51,254,601	138,865,158	42,744,521	108,553,534
Money market placements	92,925,738	77,179,529	92,925,738	77,179,529
Total cash and cash equivalents	144,201,262	216,047,631	135,672,340	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 September 2020 N '000	Group 30 September 2019 N '000	Authority 30 September 2020 N '000	Authority 30 September 2019 N '000
FVTPL investments (US treasury notes)	22,053,390	27,761,935	22,053,390	27,761,935
FVTPL investments (Fixed income products)	23,924,532	30,097,157	23,924,532	30,097,157
	45,977,922	57,859,092	45,977,922	57,859,092
Group				
30 September 2020 (All amounts are in thousands of Naira)			Impact of 5% strengthening	Impact of 5% weakening
			2,298,896	(2,298,896)
30 September 2019 (All amounts are in thousands of Naira)			Impact of 5% strengthening	Impact of 5% weakening
			2,892,955	(2,892,955)
Authority				
30 September 2020 (All amounts are in thousands of Naira)			Impact of 5% strengthening	Impact of 5% weakening
			2,298,896	(2,298,896)
30 September 2019 (All amounts are in thousands of Naira)			Sensitivity to 5% strengthening	Sensitivity to 5% weakening
			2,892,955	(2,892,955)

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

Group

30 September 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	3,908,658	-	-	3,908,658
Bridge Academies Limited	-	-	2,425,600	2,425,600
	3,908,658	-	3,485,100	7,393,758

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 September 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	3,908,658	-	-	3,908,658
	3,908,658	-	1,059,500	4,968,158

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 September 2020

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Currency swap	-	347,259,666	-	347,259,666
Private equity investments	-	-	76,390,845	76,390,845
Hedge fund and long only equity investments	-	-	93,515,176	93,515,176
Nigeria Infrastructure Debt Fund	-	1,591,333	-	1,591,333
Fixed income products	-	23,924,532	-	23,924,532
US treasury notes	-	22,053,390	-	22,053,390
	-	394,828,921	169,906,021	564,734,942

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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 September 2020				
	Level 1	Level 2	Level 3	Total
	N '000	N '000	N '000	N '000
Currency swap	-	347,259,666	-	347,259,666
Private equity investments	-	-	53,220,552	53,220,552
Hedge funds and long only equity investments	-	-	93,515,176	93,515,176
Nigeria Infrastructure Debt Fund	-	1,591,333	-	1,591,333
US treasury notes	-	23,924,532	-	23,924,532
Fixed income products	-	22,053,390	-	22,053,390
	-	394,828,921	146,735,728	541,564,649
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 September 2020 for financial assets measured at fair value.

	Group 30 September 2020 N '000	Group 31 December 2019 N '000	Authority 30 September 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	658,100	-	536,500	-
Disposal in the period	-	(213,835)	-	-
Fair value gain	-	754,000	-	-
Exchange gain	345,600	-	-	-
Closing balance	3,606,700	2,603,000	1,059,500	523,000
	Group 30 September 2020 N '000	Group 31 December 2019 N '000	Authority 30 September 2020 N '000	Authority 31 December 2019 N '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	11,320,994	22,822,452	7,708,813	9,562,337
Disposals, repayments and distributions received	(1,044,620)	(10,012,286)	(689,532)	(1,762,780)
Fair value (loss)/gain	2,646,504	801,572	2,857,320	2,314,000
Exchange gain	6,298,689	(1,460)	6,298,689	(1,460)
Closing balance	76,390,845	57,169,278	53,220,552	37,045,262
	Group 30 September 2020 N '000	Group 31 December 2019 N '000	Authority 30 September 2020 N '000	Authority 31 December 2019 N '000
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	14,919,906	16,799,224	14,919,906	16,799,224
Disposals, repayments and distributions received	(1,113,072)	(24,771,957)	(1,113,072)	(24,771,957)
Fair value (loss)/gain	185,089	6,091,758	185,089	6,091,758
Exchange gain	12,060,905	-	12,060,905	-
Closing balance	93,515,176	67,462,348	93,515,176	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 September 2020 N '000	Authority 30 September 2020 N '000
Financial assets at fair value through profit or loss			
5% changes in fair value	Inputs	Difference	Difference
Fair value movement		141,580	152,120
Fair value movement	NAV/Fair value	(141,580)	(152,120)

There were no level 3 instruments classified at FVOCI

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6 Interest income

	Group				Authority			
	Nine months ended 30 September 2020		Three months ended 30 September 2020		Nine months ended 30 September 2020		Three months ended 30 September 2020	
	2019		2019		2019		2019	
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Interest income on Nigerian treasury bills	562,674	263,836	22,253	54,165	44,562	263,836	22,253	54,165
Interest income on fixed deposits	4,161,543	4,590,248	1,714,682	1,793,792	4,044,324	4,590,248	1,670,538	1,793,792
Interest income on open market operation bills	21,435,717	19,595,826	11,851,455	8,066,830	21,435,717	19,595,826	11,851,455	8,066,830
Interest income on Eurobonds	-	338,456	-	-	-	338,456	-	-
Interest income on loans	-	-	(44,688)	-	-	-	-	-
Interest income on bank balances	116,526	148,168	44,931	3,053	109,466	147,816	44,498	2,921
	26,276,460	24,936,534	13,588,633	9,917,840	25,634,069	24,936,182	13,588,744	9,917,708

7 Investment income

	Group				Authority			
	Nine months ended 30 September 2020		Three months ended 30 September 2020		Nine months ended 30 September 2020		Three months ended 30 September 2020	
	2019		2019		2019		2019	
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Investment income from securities	3,682,280	1,718,364	2,504,961	331,082	3,546,690	763,549	2,439,997	107,210
	3,682,280	1,718,364	2,504,961	331,082	3,546,690	763,549	2,439,997	107,210

8 Interest income on financial assets at FVTPL

	Group				Authority			
	Nine months ended 30 September 2020		Three months ended 30 September 2020		Nine months ended 30 September 2020		Three months ended 30 September 2020	
	2019		2019		2019		2019	
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Interest income on US treasury notes	257,528	421,566	81,804	189,348	257,528	421,566	81,804	189,348
Interest income from fixed income products	257,991	369,766	140,388	97,964	257,991	369,766	140,388	97,964
	515,519	791,332	222,192	287,312	515,519	791,332	222,192	287,312

9 Gain on financial assets

	Group				Authority			
	Nine months ended 30 September 2020		Three months ended 30 September 2020		Nine months ended 30 September 2020		Three months ended 30 September 2020	
	2019		2019		2019		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)	37,083,135	1,213,408	36,942,752	(5,036,904)	41,092,084	2,000,737	38,982,845	(5,472,723)
Net gain on US treasury notes and fixed income products	192,211	204,537	12,750	(405,922)	192,211	204,537	12,750	(405,922)
	37,275,346	1,417,945	36,955,502	(5,442,826)	41,284,295	2,205,274	38,995,595	(5,878,645)

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

	Group				Authority			
	Nine months ended 30 September 2020		Three months ended 30 September 2020		Nine months ended 30 September 2020		Three months ended 30 September 2020	
	2019		2019		2019		2019	
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Unrealised (loss)/gain on financial swap	(280,746)	(2,531,953)	8,348,760	(5,136,846)	(280,746)	(2,531,953)	8,348,760	(5,136,846)
Realised gain/(loss) on financial swap	5,945,005	475,834	-	(213,452)	5,945,005	475,834	-	(213,452)
Fair value changes on private equity, hedge funds and other securities	29,556,093	4,609,228	28,486,950	748,629	33,565,042	4,609,228	30,527,043	(474,519)
Net gain/(loss) on sale of equity instruments	1,862,783	(1,339,701)	107,042	(435,235)	1,862,783	(552,372)	107,042	352,094
	37,083,135	1,213,408	36,942,752	(5,036,904)	41,092,084	2,000,737	38,982,845	(5,472,723)

10 Net foreign exchange gain

	Group				Authority			
	Nine months ended 30 September 2020		Three months ended 30 September 2020		Nine months ended 30 September 2020		Three months ended 30 September 2020	
	2019		2019		2019		2019	
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Net foreign exchange gain	55,802,105	1,751,622	16,614,675	1,898	54,438,896	1,642,427	15,933,147	2,105
	55,802,105	1,751,622	16,614,675	1,898	54,438,896	1,642,427	15,933,147	2,105

11 Impairment charge/(write back) on financial assets

	Group				Authority			
	Nine months ended 30 September 2020		Three months ended 30 September 2020		Nine months ended 30 September 2020		Three months ended 30 September 2020	
	2019		2019		2019		2019	
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Investment securities	(401,953)	(374,014)	(985,084)	56,100	(401,953)	(374,014)	(985,084)	56,984
Other assets	(158,956)	444,691	-	1,376,560	(158,956)	466	-	-
	(560,909)	70,677	(985,084)	1,432,660	(560,909)	(373,548)	(985,084)	56,984

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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	
	2020	2019	2020	2019	2020	2019	2020	2019
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Revenue from sale of fertilizers	54,088,421	30,259,861	33,932,925	13,738,976	-	-	-	-
Revenue from sale of fertilizer inputs	16,384,283	-	-	-	-	-	-	-
Revenue from healthcare services	83,193	-	55,945	-	-	-	-	-
	70,555,897	30,259,861	33,988,870	13,738,976	-	-	-	-

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	
	2020	2019	2020	2019	2020	2019	2020	2019
	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	31,704,837	39,381,792	13,724,427	-	-	-	-
Expenses on healthcare services	28,532	-	759	-	-	-	-	-
	83,084,275	31,704,837	39,382,551	13,724,427	-	-	-	-

14 Investment securities

		Group		Authority	
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
		N '000	N '000	N '000	N '000
Financial assets measured at amortised cost	14.1	90,380,303	107,203,262	85,898,521	93,681,632
Financial assets measured at FVOCI	14.2	7,393,758	5,759,993	4,968,158	3,679,993
Financial assets at fair value through profit or loss	14.3	564,734,942	247,124,020	541,564,649	227,000,004
		662,509,003	360,087,275	632,431,328	324,361,629

14.1 Financial assets measured at amortised cost

		Group		Authority	
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
		N '000	N '000	N '000	N '000
Nigerian treasury bills		992,018	925,744	992,018	925,744
Open market operations bills (OMO bills)		-	9,302,663	-	-
Fixed deposits		89,071,408	95,974,599	85,964,274	93,411,705
Loans and receivables		1,421,250	1,656,073	-	-
		91,484,676	107,859,079	86,956,292	94,337,449
Impairment /expected credit loss	14.1.1	(1,104,373)	(655,817)	(1,057,771)	(655,817)
		90,380,303	107,203,262	85,898,521	93,681,632
Maturity analysis:					
Current		90,380,303	107,203,262	85,898,521	93,681,632
Non-current		-	-	-	-
		90,380,303	107,203,262	85,898,521	93,681,632

14.1.1 Impairment /expected credit loss

		Group		Authority	
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
		N '000	N '000	N '000	N '000
As at beginning of period		655,817	620,955	655,817	569,926
(Write back)/Provision for expected credit losses		448,556	34,862	401,954	85,891
As at end of period		1,104,373	655,817	1,057,771	655,817

14.2 Financial assets measured at FVOCI

		Group		Authority	
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
		N '000	N '000	N '000	N '000
Equity instruments					
NG Clearing Limited		1,059,500	523,000	1,059,500	523,000
MTN securities		3,908,658	3,156,993	3,908,658	3,156,993
Bridge Academies Limited		2,425,600	2,080,000	-	-
		7,393,758	5,759,993	4,968,158	3,679,993
Maturity analysis:					
Non-current		7,393,758	5,759,993	4,968,158	3,679,993
		7,393,758	5,759,993	4,968,158	3,679,993

14.3 Financial assets at fair value through profit or loss

		Group		Authority	
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
		N '000	N '000	N '000	N '000
Currency swap		347,259,666	62,687,710	347,259,666	62,687,710
Private equity investments		76,390,845	57,169,278	53,220,552	37,045,262
Hedge fund and long only equity		93,515,176	67,462,348	93,515,176	67,462,348
Nigeria Infrastructure Debt Fund		1,591,333	1,626,000	1,591,333	1,626,000
Fixed income products		23,924,532	30,465,259	23,924,532	30,465,259
US treasury notes		22,053,390	27,713,425	22,053,390	27,713,425
		564,734,942	247,124,020	541,564,649	227,000,004
Maturity analysis:					
Current		393,237,588	120,866,394	393,237,588	120,866,394
Non-current		171,497,354	126,257,626	148,327,061	106,133,610
		564,734,942	247,124,020	541,564,649	227,000,004

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15 Cash and cash equivalents

	Group 30 September 2020 N '000	Group 31 December 2019 N '000	Authority 30 September 2020 N '000	Authority 31 December 2019 N '000
Cash on hand	20,923	2,944	2,081	2,944
Bank balances	51,254,601	138,865,158	42,744,521	108,553,534
Money market placements	92,925,738	77,179,529	92,925,738	77,179,529
	144,201,262	216,047,631	135,672,340	185,736,007

16 Restricted balances and other assets

	Group 30 September 2020 N '000	Group 31 December 2019 N '000	Authority 30 September 2020 N '000	Authority 31 December 2019 N '000
Financial assets:				
Other receivables	15,605,326	23,536,829	12,594,763	22,646,427
Account receivables	28,141,243	9,795,174	1,476,914	4,461,410
Intercompany receivables	-	-	70,033,040	49,517,554
Cost incurred on behalf of the Federal Government of Nigeria	16,113,745	16,113,745	-	-
Restricted balance	3,266	1,500	-	-
	59,863,580	49,447,248	84,104,717	76,625,391
Impairment /expected credit loss	(1,039,070)	(1,101,976)	(1,039,070)	(880,113)
Total financial assets	58,824,510	48,345,272	83,065,647	75,745,278
Non-financial assets:				
Prepayment	8,567,598	2,674,279	154,491	133,540
	67,392,109	51,019,551	83,220,138	75,878,818

17 Inventories

	Group 30 September 2020 N '000	Group 31 December 2019 N '000	Authority 30 September 2020 N '000	Authority 31 December 2019 N '000
Raw materials	9,046,061	1,921,575	-	-
Finished goods	760,933	2,694,071	-	-
Consumables	72,931	-	-	-
	9,879,925	4,615,646	-	-
Maturity analysis:				
Current	9,879,925	4,615,646	-	-
	9,879,925	4,615,646	-	-

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18 Investments in subsidiaries

	Authority 30 September 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 30 September 2020	% of ownership interest 31 December 2019	Carrying amount 30 September 2020 N '000	Carrying amount 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 September 2020 N '000	Group 31 December 2019 N '000	Authority 30 September 2020 N '000	Authority 31 December 2019 N '000
Associates and joint ventures	19,099,303	15,226,911	10,614,990	10,614,990

The amounts recognised in the statement of comprehensive income are as

Associates and joint ventures

	1,841,223	1,579,032	-	-
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The table below shows a detailed movement of this balance:

	Group 30 September 2020 N '000	Group 31 December 2019 N '000	Authority 30 September 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	1,724,284	1,363,940	-	-
Share of fair value reserves of associate and joint venture	116,939	215,092	-	-
At the end of the period	<u>19,099,303</u>	<u>15,226,911</u>	<u>10,614,990</u>	<u>10,614,990</u>
Maturity analysis:				
Non-current	19,099,303	15,226,911	10,614,990	10,614,990

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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	210,382	157,386	80,888	3,533,655	760,128	4,742,439
Transfers to other assets	-	-	-	-	(1,181,160)	(1,181,160)
As at 30 September 2020	347,807	683,192	256,808	3,535,726	1,707,340	6,530,873
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	21,619	70,201	29,067	324,505	50,652	496,044
As at 30 September 2020	112,212	298,475	179,064	326,341	50,652	966,744
Carrying amount						
As at 30 September 2020	235,595	384,717	77,744	3,209,385	1,656,688	5,564,129
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	2,070	613,489
Additions in the year		22,394	190,961	594	-	213,949
As at 31 December 2019		137,425	512,022	175,920	2,070	827,437
As at 1 January 2020		137,425	512,022	175,920	2,070	827,437
Additions in the period		12,857	125,325	23,881	-	162,063
As at 30 September 2020		150,282	637,347	199,801	2,070	989,500
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		9,338	83,985	19,141	99	112,563
As at 30 September 2020		99,931	298,475	169,138	1,935	569,479
Carrying amount						
As at 30 September 2020		50,351	338,872	30,663	135	420,021
As at 31 December 2019		46,832	297,532	25,923	234	370,521
22 Right of use asset						
		Group	Group	Authority	Authority	
		30 September	31 December	30 September	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		(38,808)	(54,433)	(32,137)	(43,488)	
		211,097	249,905	11,351	43,488	

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23 Intangible assets			Group	Authority
Software - 30 September 2020			N '000	N '000
Cost				
Balance at 1 January 2020			126,536	126,374
Additions in the period			233,315	50,499
Disposals in the period			-	-
Balance at 30 September 2020			359,851	176,873
Amortisation				
Balance at 1 January 2020			26,301	26,139
Charge for the period			100,036	20,334
Balance at 30 September 2020			126,337	46,473
Carrying amount				
Balance at 30 September 2020			233,514	130,400
Software - 31 December 2019				
Cost				
Balance at 1 January 2019			37,558	37,396
Additions in the year			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 year			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 September	31 December	30 September	31 December
	2020	2019	2020	2019
	N '000	N '000	N '000	N '000
Financial liability:				
Trade payables	1,491,601	2,377,517	1,473,689	1,721,250
Intercompany payables	-	-	16,607,942	8,968,987
Other payables	69,292,199	19,076,465	59,916,593	15,528,802
Payables to the Federal Government of Nigeria in respect of the Second Niger Bridge	19,011,533	18,453,250	-	-
Deferred income on RSSF borrowing	10,923,599	6,366,618	-	-
Lease liability	-	46,502	-	46,502
Accruals	8,118,970	856,888	649,307	750,029
	108,837,902	47,177,240	78,647,531	27,015,570
25 Borrowings				
	Group	Group	Authority	Authority
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	N '000	N '000	N '000	N '000
Financial liabilities at amortised cost				
Real Sector Support Facility (RSSF)	19,463,374	23,133,382	-	-
	19,463,374	23,133,382	-	-
26 Equity and reserves				
	Group	Group	Authority	Authority
	30 September	31 December	30 September	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	406,863,236	291,026,827	409,938,580	287,750,520
Fair value reserve	4,775,335	3,941,139	4,147,754	3,430,497
Foreign currency translation reserve	(1,439,065)	3,907,858	-	-
Non-controlling interest	(28,836)	(2,898)	-	-
	780,833,170	579,535,426	784,748,834	571,843,517

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26.1 Contribution by Government

	Group 30 September 2020 N '000	Group 31 December 2019 N '000	Authority 30 September 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 September 2020 N '000	Group 31 December 2019 N '000	Authority 30 September 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	115,836,409	34,476,485	122,188,060	34,060,024
	<u>406,863,236</u>	<u>291,026,827</u>	<u>409,938,580</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 September 2020 N '000	Group 31 December 2019 N '000	Authority 30 September 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	717,257	1,939,427	717,257	1,185,427
Share of change in value of financial assets measured at FVOCI - (Associates)	116,939	215,092	-	-
	<u>4,775,335</u>	<u>3,941,139</u>	<u>4,147,754</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 September 2020 N '000	Group 31 December 2019 N '000
Opening balance	3,907,858	4,382,101
Exchange differences arising during the period	(5,346,923)	(474,243)
	<u>(1,439,065)</u>	<u>3,907,858</u>

26.5 Non-controlling interest (NCI)

	Group 30 September 2020 N '000	Group 31 December 2019 N '000
Opening balance	(2,898)	5,823
Loss attributable to NCI	(25,938)	(8,721)
	<u>(28,836)</u>	<u>(2,898)</u>

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27 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 September 2020 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 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 September 2020, and of its financial performance and its cash flows for the nine-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/0000008319



29 March 2021