

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim
financial statements
for the nine months period ended 30 September 2023

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
For the nine months period ended 30 September 2023
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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 2022 and any public announcements made by Nigeria Sovereign Investment Authority during the interim reporting period.

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
For the nine months period ended 30 September 2023

General Information

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

[1] Board dissolved by Federal Government of Nigeria on 19 June 2023

Registered office	The Clan Place 4th Floor, Plot 1386A Tigris Crescent Maitama Abuja
Auditor	Ernst & Young 10th Floor, UBA House 57, Marina Lagos State
Secretary to the Authority	Mrs. Ezinwa Okoroafor
Fund custodians	JP Morgan Chase & Co (Global Custodian) 25 Bank Street Canary Wharf London, E14 5JP, United Kingdom
	Stanbic IBTC Bank Limited (Local Custodian) IBTC Place 2, Walter Carrington Crescent Victoria Island Lagos, Nigeria
	Citibank Nigeria Limited (Local Custodian) 27, Kofo Abayomi Street Victoria Island Lagos, Nigeria

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
For the nine months period ended 30 September 2023
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 2023.

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 2023 N'000	Authority 30 September 2023 N'000
Total operating income	819,136,785	817,925,690
Total investment management and custodian fees	(2,178,411)	(1,983,002)
Impairment charge on financial assets	(1,914,037)	(1,917,092)
Total operating Profit	815,044,337	814,025,597
Operating profit from infrastructure subsidiaries	2,080,389	-
Other income	2,862,470	3,224,931
Operating and administrative expenses	(6,828,840)	(4,670,558)
Interest expense	(940,498)	(940,498)
Share of profit of investments accounted for using the equity method	13,169,602	-
Profit for the period	825,387,460	811,639,472
Total comprehensive income for the period	823,529,757	812,163,942

4 Objective

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

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

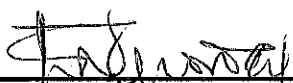
5 Governance and management

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

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

6 Employee health, safety and environment

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



Mrs. Ezinwa Okoroafor
 General Counsel
 FRCN/2016/NBA/00000015045

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
For the nine months period ended 30 September 2023
Statement of directors' responsibilities

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

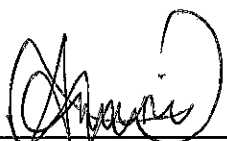
- a. ensuring that the Authority and Group keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Authority and Group and comply with the requirements of the Nigeria Sovereign Investment Authority Act;
- b. designing, implementing and maintaining internal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

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

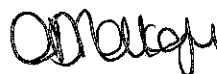
The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Authority and Group and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation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

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

Signed on behalf of the board of directors by:



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



Mrs Olubisi Makoju
Director
FRC/2014/ICAN/00000005765

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
Consolidated statement of comprehensive income
For the three months and nine months periods ended 30 September 2023

	Notes	Group			
		Nine-month period ended 30		Three-month period ended 30	
		September		September	
		2023	2022	2023	2022
		N '000	N '000	N '000	N '000
Interest income	6	19,320,609	35,652,350	9,921,288	13,190,603
Investment income	7	4,388,278	3,318,924	1,598,175	1,233,838
Interest income on financial assets at FVTPL	8	43,749,580	746,945	16,106,437	171,618
Net gain/(loss) on financial assets	9	378,578,423	(19,385,254)	(6,793,593)	11,321,650
Net foreign exchange gain	10	373,099,895	20,253,943	1,919,254	18,160,756
Total operating income		819,136,785	40,586,908	22,751,562	44,078,465
Investment management fees		(2,006,545)	(1,000,626)	(1,156,922)	(743,616)
Global and local custodian fees		(171,866)	(145,294)	(72,844)	(43,454)
Total investment management and custodian		(2,178,411)	(1,145,920)	(1,229,766)	(787,070)
Impairment charge on financial assets	11	(1,914,037)	(756,563)	(620,904)	(252,188)
Total operating profit		815,044,337	38,684,425	20,900,891	43,039,207
Infrastructure operating revenue	12	3,028,341	2,283,148	1,103,007	900,106
Infrastructure operating expenses	13	(947,951)	(632,179)	(348,142)	(269,248)
Operating profit from infrastructure subsidiaries		2,080,389	1,650,969	754,865	630,858
Other income		2,862,470	4,446,705	1,232,748	1,139,066
Operating and administrative expenses		(6,828,840)	(5,727,675)	(2,564,952)	(2,176,733)
Interest expense		(940,498)	(2,345)	(937,999)	(816)
Share of profit of investments accounted for using the equity method	20	13,169,602	1,489,977	1,802,662	1,037,218
Profit before taxation from continuing operations		825,387,460	40,542,055	21,188,215	43,668,800
Taxation		-	-	-	-
Profit for the period from continuing operations		825,387,460	40,542,055	21,188,215	43,668,800
Profit from discontinued operations		-	-	-	-
Profit for the period		825,387,460	40,542,055	21,188,215	43,668,800
Other comprehensive income:					
Items that may be reclassified to profit or loss					
Net change in fair value of financial assets at FVOCI	25.2	524,472	39,386	11,996	(424,811)
Share of other comprehensive loss of associates and joint venture	20	(22,377)	(28,749)	(36,335)	(19,263)
Exchange differences on translating foreign operations	25.3	(2,359,797)	4,139,270	(23,184)	117,293
Other comprehensive income for the period		(1,857,702)	4,149,907	(47,523)	(326,781)
Total comprehensive income for the period		823,529,757	44,691,962	21,140,691	43,342,019
Profit attributable to:					
Owners of NSIA		825,381,912	40,560,354	21,179,037	43,675,333
Non-controlling interest		5,548	(18,299)	9,178	(6,533)
Total comprehensive income attributable to:		825,387,460	40,542,055	21,188,215	43,668,800
Owners of NSIA		823,524,209	44,710,261	21,131,513	43,348,552
Non-controlling interest		5,548	(18,299)	9,178	(6,533)
Total comprehensive income attributable to:		823,529,757	44,691,962	21,140,691	43,342,019

The accompanying notes on pages 11 to 22 form an integral part of these condensed consolidated and separate financial statements.

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
Separate statement of comprehensive income
For the three months and nine months periods ended 30 September 2023

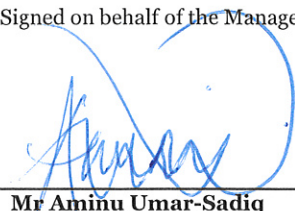
		Authority			
		Nine-month period ended 30 September		Three-month period ended 30 September	
		2023	2022	2023	2022
Notes		N '000	N '000	N '000	N '000
	6	18,582,382	5,796,046	8,426,967	2,468,232
	7	3,373,725	3,294,293	1,246,024	1,198,082
	8	43,749,580	30,946,558	16,648,765	11,092,867
	9	379,971,401	(18,896,616)	(6,032,607)	11,473,907
	10	372,248,603	20,258,175	1,616,144	18,169,989
		817,925,690	41,398,456	21,905,294	44,403,077
		(1,811,136)	(620,297)	(1,754,434)	(530,500)
		(171,866)	(145,294)	(123,478)	(43,455)
		(1,983,002)	(765,591)	(1,877,911)	(573,955)
	11	(1,917,092)	(756,563)	(620,904)	(252,188)
		814,025,597	39,876,302	19,406,479	43,576,934
		3,224,931	4,470,167	2,930,166	1,274,932
		(4,670,558)	(4,017,632)	(3,602,630)	(1,536,597)
		(940,498)	(2,294)	(939,741)	(764)
		811,639,472	40,326,543	17,794,274	43,314,505
		-	-	-	-
		811,639,472	40,326,543	17,794,274	43,314,505
		Other comprehensive income:			
		Items that may be reclassified to profit or loss			
	25.2	524,471	39,387	950,364	(424,811)
		524,471	39,387	950,364	(424,811)
		812,163,942	40,365,930	18,744,638	42,889,694

The accompanying notes on pages 11 to 22 form an integral part of these condensed consolidated and separate financial statements.

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
Statements of financial position as at 30 September 2023

		Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Assets					
Cash and cash equivalents	14	120,928,949	60,185,675	118,697,583	59,273,853
Investment securities	15	1,683,193,968	628,070,376	1,588,284,768	576,575,102
Loans and receivables	16	31,161,397	32,610,185	18,668,660	23,360,168
Restricted balances and other assets	17	15,409,935	278,489,858	138,098,541	352,813,040
Inventories	18	173,762	198,013	-	-
Investment in subsidiaries	19	-	-	9,000	9,000
Investments accounted for using the equity method	20	46,738,460	27,766,212	17,271,777	12,278,115
Right of use asset	21	215,078	173,662	56,376	6,751
Property and equipment	22	4,905,063	5,119,399	754,897	938,493
Intangible assets	23	76,844	95,103	42,977	49,992
Total assets		1,902,803,457	1,032,708,483	1,881,884,578	1,025,304,514
Liabilities					
Other liabilities	24	43,589,178	16,019,550	43,164,992	19,733,609
Total liabilities		43,589,178	16,019,550	43,164,992	19,733,609
Equity					
Equity attributable to equity holders of parent					
Contribution by Government	25.0	368,359,739	347,375,000	368,359,739	347,375,000
Share Premium		-	1,994,698	-	-
Retained earnings	25.1	1,493,881,062	668,493,603	1,463,849,264	652,209,792
Fair value reserve	25.2	6,446,424	5,944,329	6,510,583	5,986,113
Foreign currency translation reserve	25.3	(9,329,354)	(6,969,557)	-	-
		1,859,357,871	1,016,838,073	1,838,719,586	1,005,570,905
Non-controlling interest	25.4	(143,592)	(149,140)	-	-
		1,859,214,279	1,016,688,933	1,838,719,586	1,005,570,905
Total equity and liabilities		1,902,803,457	1,032,708,483	1,881,884,578	1,025,304,514

Signed on behalf of the Management²⁰ December 2023 by:



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



Mrs Olubisi Makoju
 Director
 FRC/2014/ICAN/0000005765

The accompanying notes on pages 11 to 22 form an integral part of these condensed consolidated and separate financial statements.

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
Statement of changes in equity
For the nine months period ended 30 September 2023

Group	Contribution by Government		Foreign currency translation reserve	Fair value reserve	Retained earnings	Non-controlling interest	Total equity
	N '000	N '000					
Balance at 1 January 2022	347,375,000	-	(1,030,107)	5,889,638	567,617,909	(125,790)	919,726,650
Profit/(loss) for the period	-	-	4,139,270	-	40,542,055	(18,299)	40,523,756
Currency translation differences	-	-	-	-	-	-	4,139,270
Net change in fair value of financial assets FVOCI	-	-	-	39,386	-	-	39,386
Share of other comprehensive income of associates and joint venture	-	-	-	(28,749)	-	-	(28,749)
Total other comprehensive income for the period	-	-	4,139,270	10,637	-	-	4,149,907
Total comprehensive income for the period	-	-	4,139,270	10,637	40,542,055	(18,299)	44,673,663
Balance at 30 September 2022	347,375,000	-	3,109,163	5,900,273	608,159,964	(144,089)	964,400,313
Group 30 September 2023							
Group							
Balance at 1 January 2023	347,375,000	1,994,698	(6,969,557)	5,944,329	668,493,603	(149,140)	1,016,688,933
Additional Contribution	20,984,739	-	-	-	-	-	20,984,739
Profit/(loss) for the period	-	-	-	-	825,387,460	5,548	825,393,008
Reclassification of share premium	-	(1,994,698)	-	-	-	-	(1,994,698)
Currency translation differences	-	-	(2,359,797)	-	-	-	(2,359,797)
Net change in fair value of financial assets FVOCI	-	-	-	524,472	-	-	524,472
Share of other comprehensive income of associates and joint venture	-	-	-	(22,377)	-	-	(22,377)
Total other comprehensive (loss)/income for the period	-	-	(2,359,797)	502,095	-	-	(1,857,702)
Total comprehensive (loss)/income for the period	-	-	(2,359,797)	502,095	825,387,460	5,548	823,535,305
Balance at 30 September 2023	368,359,739	-	(9,329,354)	6,446,424	1,493,881,063	(143,592)	1,859,214,279

The accompanying notes on pages 11 to 22 form an integral part of these condensed consolidated and separate financial statements.

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
Statement of changes in equity
For the nine months period ended 30 September 2023

Authority	Contribution by Government N '000	Fair value reserve N '000	Retained earnings N '000	Total equity N '000
Balance at 1 January 2022	347,375,000	5,709,341	556,236,854	909,321,195
Profit for the period	-	-	40,326,543	40,326,543
Net change in fair value of financial assets at FVOCI	-	39,387	-	39,387
Total other comprehensive income for the period	-	39,387	40,326,543	40,365,930
Total comprehensive income for the period	347,375,000	5,748,728	596,563,397	949,687,125
Balance at 30 September 2022	347,375,000	5,748,728	596,563,397	949,687,125
Authority 30 June 2023				
Authority	Contribution by Government N '000	Fair value reserve N '000	Retained earnings N '000	Total equity N '000
Balance at 1 January 2023	347,375,000	5,986,113	652,209,792	1,005,570,905
Additional Contributions	20,984,739	-	-	20,984,739
Profit for the period	-	-	811,639,472	811,639,472
Net change in fair value of financial assets at FVOCI	-	524,471	-	524,471
Total other comprehensive income for the period	-	524,471	811,639,472	812,163,943
Total comprehensive income for the period	368,359,739	6,510,584	1,463,849,264	1,838,719,586
Balance at 30 September 2023	368,359,739	6,510,584	1,463,849,264	1,838,719,586

The accompanying notes on pages 11 to 22 form an integral part of these condensed consolidated and separate financial statements.

Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
Statement of cash flows
For the nine months period ended 30 September 2023

	Notes	Group 30 September 2023 N '000	Group 30 September 2022 N '000	Authority 30 September 2023 N '000	Authority 30 September 2022 N '000
Cash flow from operating activities					
Profit before income tax		825,387,460	40,542,055	811,639,472	40,326,543
Adjustments to reconcile profit/(loss) before tax to net cash flow from operating activities:					
Depreciation charge for the period	22	662,537	577,143	287,449	193,116
Amortisation of intangible assets	23	19,075	58,827	7,015	27,349
Interest income	6	(19,320,609)	(35,652,350)	(18,582,382)	(36,562,992)
Investment income	7	(4,388,278)	(3,318,924)	(3,373,725)	(3,294,293)
Interest income on financial assets at FVTPL	8	(43,749,580)	(746,945)	(43,749,580)	(179,612)
Net foreign exchange gains	10	(373,099,895)	(20,253,943)	(372,248,603)	(20,258,175)
Unrealised gain on financial instruments at FVTPL		(335,940,283)	28,325,731	(379,971,401)	27,759,940
Impairment losses	11	1,914,037	756,563	1,917,092	756,563
Interest expense		940,498	2,345	940,498	2,294
Share of profit from associate and joint venture	20	(13,169,602)	(1,489,977)	-	-
Movements in operating assets/ liabilities:					
Inventories		24,251	(78,817)	-	-
Other assets		263,079,923	299,908,553	325,895,046	291,998,406
Other liabilities		27,569,628	(210,877,839)	23,397,921	(203,788,004)
Cash generated from operations		329,929,162	97,752,422	346,158,802	96,981,135
Tax paid		-	-	-	-
Net cash generated from operating activities		329,929,162	97,752,422	346,158,802	96,981,135
Cash flows from investing activities					
Purchase of property and equipment and right of use asset	22	(1,060,094)	(935,749)	(153,478)	(329,030)
Purchase of other intangible assets	23	(39,735)	(39,735)	-	-
Payment for financial assets at fair value		(344,142,737)	(372,115,319)	(342,230,021)	(362,058,354)
Proceeds from sale of financial assets at fair value		88,282,133	37,647,587	68,446,008	31,950,216
Acquisition of financial assets held at amortised cost		(113,167,018)	(11,748,293)	(99,601,806)	(12,357,769)
Proceeds from maturity and sale of financial assets held at amortised cost		46,341,680	27,599,696	36,835,737	27,622,297
Investment in associate and joint ventures		(5,825,022)	-	(4,993,662)	-
Investment and interest income received		20,286,908	19,130,874	15,128,574	14,662,599
Net cash used in investing activities		(309,323,887)	(300,460,939)	(326,568,650)	(300,510,041)
Cash flows from financing activities					
Contribution by Government		20,984,739	-	20,984,739	-
Interest expense		(940,498)	(2,345)	(940,498)	(2,294)
Net cash generated/(used) in financing activities		20,044,241	(2,345)	20,044,241	(2,294)
Net cash movement for the period					
		40,649,515	(202,710,862)	39,634,393	(203,531,200)
Cash and cash equivalents at beginning of period		60,185,675	269,602,956	59,273,853	268,782,415
Net exchange gains/(losses) on cash and cash equivalents		20,093,760	1,111,463	19,789,337	1,094,423
Cash and cash equivalents at period end		120,928,949	68,003,557	118,697,583	66,345,639
Cash and cash equivalents comprise:					
Cash in hand		367,233	416,170	2,897	2,259
Bank balances		9,989,983	21,557,924	8,503,738	20,512,774
Placements with financial institutions		110,571,733	46,029,463	110,190,947	45,830,606
Total cash and cash equivalents		120,928,949	68,003,557	118,697,583	66,345,639

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Nigeria Sovereign Investment Authority
Condensed consolidated and separate interim financial statements
For the nine months period ended 30 September 2023
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 has received four additional capital contribution tranches totalling \$795 million after the initial contribution including a recent contribution of \$45 million in the second quarter of 2023. The Authority commenced operations in October 2012.

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

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

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

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 2022 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

A number of amendments to accounting pronouncements were effective from 1 January 2023, but they do not have a material effect on the Group's interim financial statements.

4 Financial risk management

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

4.1 Approach to risk management

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

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

4.2 Credit risk

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

4.2.1 Management of credit risk

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

4.3 Liquidity risk

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

4.3.1 Management of liquidity risk

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

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

	Group	Group	Authority	Authority
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
Cash in hand	367,233	21,396	2,897	2,900
Bank balances	9,989,983	14,093,317	8,503,738	13,199,991
Money market placements	110,571,733	46,070,962	110,190,947	46,070,962
Total cash and cash equivalents	120,928,949	60,185,675	118,697,583	59,273,853

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.

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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.

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 2023 N '000	Group 30 September 2022 N '000	Authority 30 September 2023 N '000	Authority 30 September 2022 N '000
FVTPL investments (US treasury notes)	31,234,767	18,264,127	31,234,767	18,264,127
FVTPL investments (Fixed income products)	29,801,895	19,772,000	29,706,109	19,684,081
	61,036,662	38,036,127	60,940,875	37,948,208

Net interest income sensitivity

30 September 2023

(All amounts are in thousands of Naira)	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	(3,051,833)	(3,047,044)
Impact on total comprehensive income	+5%	3,051,833	3,047,044

30 September 2022

(All amounts are in thousands of Naira)	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	(1,901,806)	(1,897,410)
Impact on total comprehensive income	+5%	1,901,806	1,897,410

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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.

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 2023. All fair value measurements disclosed are recurring fair value measurements.

Group

30 September 2023

Financial assets at FVOCI	Level 1	Level 2	Level 3	Total
	N '000	N '000	N '000	N '000
NG Clearing Ltd	-	-	1,101,890	1,101,890
The Infrastructure Corporation of Nig Ltd.	-	-	100,000	100,000
MTN securities	3,713,582	-	-	3,713,582
Federal Government Bonds	2,775,302	-	-	2,775,302
	6,488,885	-	1,201,890	7,690,775

31 December 2022

Financial assets at FVOCI	Level 1	Level 2	Level 3	Total
	N '000	N '000	N '000	N '000
NG Clearing Ltd	-	-	1,101,890	1,101,890
The Infrastructure Corporation of Nig Ltd.	-	-	100,000	100,000
MTN securities	3,024,319	-	-	3,024,319
	3,024,319	-	1,201,890	4,226,209

Authority

30 September 2023

Financial assets at FVOCI	Level 1	Level 2	Level 3	Total
	N '000	N '000	N '000	N '000
NG Clearing Ltd	-	-	1,101,890	1,101,890
The Infrastructure Corporation of Nig Ltd.	-	-	100,000	100,000
MTN securities	3,713,582	-	-	3,713,582
Federal Government Bonds	2,775,302	-	-	2,775,302
	6,488,885	-	1,201,890	7,690,775

Authority

31 December 2022

Financial assets at FVOCI	Level 1	Level 2	Level 3	Total
	N '000	N '000	N '000	N '000
NG Clearing Ltd	-	-	1,101,890	1,101,890
The Infrastructure Corporation of Nig Ltd.	-	-	100,000	100,000
MTN securities	3,024,319	-	-	3,024,319
	3,024,319	-	1,201,890	4,226,209

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Financial assets at fair value through profit or loss

Group

30 September 2023

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Currency swap	-	797,092,207	-	797,092,207
Private equity investments	-	-	261,099,527	261,099,527
Hedge fund and long only equity investments	-	-	306,239,656	306,239,656
Nigeria Infrastructure Debt Fund	1,578,036	-	-	1,578,036
Fixed income products	-	29,801,895	-	29,801,895
US treasury notes	-	31,234,767	-	31,234,767
	1,578,036	858,128,869	567,339,183	1,427,046,088

Group

31 December 2022

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Currency swap	-	167,152,338	-	167,152,338
Private equity investments	-	-	135,273,206	135,273,206
Hedge fund and long only equity investments	23,495,626	-	138,325,250	161,820,876
Nigeria Infrastructure Debt Fund	1,578,036	-	-	1,578,036
Fixed income products	-	18,916,854	-	18,916,854
US treasury notes	-	23,082,776	-	23,082,776
	25,073,662	209,151,968	273,598,456	507,824,086

Authority

30 September 2023

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Currency swap	-	797,092,207	-	797,092,207
Private equity investments	-	-	167,699,715	167,699,715
Hedge funds and long only equity investments	-	-	306,239,656	306,239,656
Nigeria Infrastructure Debt Fund	1,578,036	-	-	1,578,036
US treasury notes	-	29,706,109	-	29,706,109
Fixed income products	-	31,234,767	-	31,234,767
	1,578,036	858,033,083	473,939,371	1,333,550,490

Authority

31 December 2022

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Currency swap	-	167,152,338	-	167,152,338
Private equity investments	-	-	84,897,397	84,897,397
Hedge funds and long only equity investments	23,465,118	-	138,355,758	161,820,876
Nigeria Infrastructure Debt Fund	1,578,036	-	-	1,578,036
US treasury notes	-	18,916,854	-	18,916,854
Fixed income products	-	23,082,776	-	23,082,776
	25,043,154	209,151,968	223,253,155	457,448,277

(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 June 2023. 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.

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(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.

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

	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Financial assets measured at FVOCI - NG Clearing and Infraco Ltd and bonds				
Opening balance	1,201,890	3,462,875	1,201,890	1,178,317
Additions in the period	2,775,302	-	2,775,302	-
Disposal in the period	-	(2,591,390)	-	-
Fair value movement	-	315,525	-	23,573
Exchange difference	-	14,880	-	-
Closing balance	3,977,192	1,201,890	3,977,192	1,201,890
	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Financial assets at fair value through profit or loss - Private equity				
Opening balance	135,273,206	133,654,884	84,897,397	101,196,167
Additions in the period	63,902,545	15,892,913	43,902,545	(168,342)
Disposals, repayments and distributions received	(4,698,823)	(23,048,148)	(4,698,823)	(21,079,322)
Fair value (loss)/gain	(5,248,670)	(4,198,608)	(5,684,432)	(2,209,122)
Exchange gain	71,871,269	12,972,165	49,283,029	7,158,016
Closing balance	261,099,527	135,273,206	167,699,715	84,897,397
	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Financial assets at fair value through profit or loss - Hedge funds				
Opening balance	161,820,876	175,088,327	161,820,876	175,088,327
Additions in the period	123,045,155	23,745,559	123,045,155	23,745,559
Disposals, repayments and distributions received	(16,131,309)	(23,738,993)	(16,131,309)	(23,738,993)
Fair value (loss)/gain	(30,264,148)	(25,945,221)	(30,264,148)	(25,945,221)
Exchange gain	67,769,081	12,671,204	67,769,081	12,671,204
Closing balance	306,239,656	161,820,876	306,239,656	161,820,876

Sensitivity analysis of fair value movements for level 3 financial assets

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

**Financial assets at fair value through profit or loss
30 September 2023**

(All amounts are in thousand of Naira)

	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	1,775,641	1,797,429
Impact on total comprehensive income	+5%	(1,775,641)	(1,797,429)

31 December 2022

(All amounts are in thousand of Naira)

	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	(15,776)	1,179
Impact on total comprehensive income	+5%	15,776	(1,179)

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6 Interest income

	Group				Authority			
	Nine-month period ended 30 September		Three-month period ended 30 September		Nine-month period ended 30 September		Three-month period ended 30 September	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Interest income on fixed deposits	10,384,960	3,687,473	4,752,186	1,453,230	10,378,165	3,409,830	4,745,392	1,431,892
Interest income on commercial papers	438,409	-	438,409	-	438,409	-	438,409	-
Interest income on Eurobonds	6,290,888	1,171,897	2,870,650	809,963	6,290,888	1,171,897	2,870,650	809,963
Interest income on loans	1,597,426	-	1,573,982	(21,423)	866,542	1,088,477	85,933	440,656
Interest income on bank balances	608,926	126,034	285,560	85,901	608,378	125,842	285,583	85,721
	19,320,609	4,885,404	9,921,288	2,027,671	18,582,382	5,796,046	8,426,967	2,468,232

7 Investment Income

	Group				Authority			
	Nine-month period ended 30 September		Three-month period ended 30 September		Nine-month period ended 30 September		Three-month period ended 30 September	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Investment income from securities	4,388,278	3,318,924	1,598,175	1,233,838	3,373,725	3,294,293	1,246,024	1,198,082
	4,388,278	3,318,924	1,598,175	1,233,838	3,373,725	3,294,293	1,246,024	1,198,082

8 Interest income on financial assets at FVTPL

	Group				Authority			
	Nine-month period ended 30 September		Three-month period ended 30 September		Nine-month period ended 30 September		Three-month period ended 30 September	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Interest income on US treasury notes	260,794	15,647	78,491	(111,852)	260,794	15,647	78,491	(111,852)
Interest income from fixed income products	117,960	731,298	(481,474)	283,470	117,960	163,965	69,854	41,788
Interest income on open market operation bills	43,370,826	30,766,946	16,509,420	11,162,932	43,370,826	30,766,946	16,509,420	11,162,932
	43,749,580	31,513,891	16,106,437	11,334,550	43,749,580	30,946,558	16,648,765	11,092,867

9 Net gain/(loss) on financial assets

	Group				Authority			
	Nine-month period ended 30 September		Three-month period ended 30 September		Nine-month period ended 30 September		Three-month period ended 30 September	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Net gain on financial assets at fair value through profit or loss (Note 9.1)	378,578,423	(19,385,254)	(6,793,593)	11,321,650	379,971,401	(18,896,616)	(6,032,607)	11,473,907
	378,578,423	(19,385,254)	(6,793,593)	11,321,650	379,971,401	(18,896,616)	(6,032,607)	11,473,907

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

	Group				Authority			
	Nine-month period ended 30 September		Three-month period ended 30 September		Nine-month period ended 30 September		Three-month period ended 30 September	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Unrealised (loss)/gain on financial	328,980,420	16,988,976	(2,047,003)	21,289,418	328,980,420	16,922,349	(2,047,003)	21,289,418
Realised gain/(loss) on financial swap	42,366,870	5,627,308	13,067,550	-	42,366,870	5,627,308	13,067,550	-
Fair value changes on private equity, hedge funds and other securities	6,969,863	(45,314,707)	(7,852,788)	(10,037,431)	8,358,840	(44,682,289)	(7,091,801)	(9,898,721)
Net gain/(loss) on sale of equity instruments	271,271	3,313,169	38,548	69,663	271,271	3,236,016	38,548	83,210
	378,578,423	(19,385,254)	(6,793,593)	11,321,650	379,971,401	(18,896,616)	(6,032,607)	11,473,907

10 Net foreign exchange gain

	Group				Authority			
	Nine-month period ended 30 September		Three-month period ended 30 September		Nine-month period ended 30 September		Three-month period ended 30 September	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Net foreign exchange gain	373,099,895	20,253,943	1,919,254	18,160,756	372,248,603	20,258,175	1,616,144	18,169,989
	373,099,895	20,253,943	1,919,254	18,160,756	372,248,603	20,258,175	1,616,144	18,169,989

11 Impairment charge/(write back) on financial assets

	Group				Authority			
	Nine-month period ended 30 September		Three-month period ended 30 September		Nine-month period ended 30 September		Three-month period ended 30 September	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Financial assets at amortized cost	(1,107,302)	(216,460)	(353,168)	(72,154)	(1,107,302)	(216,461)	(353,168)	(72,153)
Other assets	(806,736)	(540,103)	(267,736)	(180,034)	(809,790)	(540,102)	(267,736)	(180,034)
	(1,914,037)	(756,563)	(620,904)	(252,188)	(1,917,092)	(756,563)	(620,904)	(252,187)

12 Revenue from infrastructure subsidiaries investments

	Group				Authority			
	Nine-month period ended		Three-month period ended		Nine-month period ended		Three-month period ended	
	2023	2022	2023	2022	2023	2022	2023	2022
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Revenue from healthcare services	3,028,341	2,283,148	1,103,007	900,106	-	-	-	-
	3,028,341	2,283,148	1,103,007	900,106	-	-	-	-

Revenue from healthcare services represents the revenue from provision of medical consultations and related services

13 Expense from infrastructure subsidiaries investments

	Group				Authority			
	Nine-month period ended		Three-month period ended		Nine-month period ended		Three-month period ended	
	2023	2022	2023	2022	2023	2022	2023	2022
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Expenses on healthcare services	(947,951)	(632,179)	(348,142)	(269,248)	-	-	-	-
	(947,951)	(632,179)	(348,142)	(269,248)	-	-	-	-

14 Cash and cash equivalents

	Group		Group		Authority		Authority	
	30 September		31 December		30 September		31 December	
	2023	2022	2023	2022	2023	2022	2023	2022
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Cash on hand	367,233	21,396	2,897	2,900				
Bank balances	9,989,983	14,093,317	8,603,738	13,199,991				
Money market placements	110,571,733	46,070,962	110,190,947	46,070,962				
	120,928,949	60,185,675	118,697,583	59,273,853				

15 Investment securities

	Group		Group		Authority		Authority	
	30 September		31 December		30 September		31 December	
	2023	2022	2023	2022	2023	2022	2023	2022
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Financial assets measured at amortised cost	248,457,106	116,020,081	247,043,504	114,900,616				
Financial assets measured at FVOCI	7,690,774	4,226,209	7,690,775	4,226,209				
Financial assets at fair value through profit or loss	1,427,046,088	607,824,086	1,333,550,490	457,448,277				
	1,683,193,968	628,070,376	1,588,284,769	576,575,102				

15.1 Financial assets measured at amortised cost

	Group		Group		Authority		Authority	
	30 September		31 December		30 September		31 December	
	2023	2022	2023	2022	2023	2022	2023	2022
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Eurobond	85,742,583	46,360,782	85,742,583	46,360,782				
Commercial Papers	5,962,193	1,004,491	5,962,193	1,004,491				
Fixed deposits	159,855,872	70,641,047	158,442,270	69,521,582				
	251,550,648	118,006,320	250,137,046	116,886,855				
Impairment /expected credit loss	(3,093,541)	(1,986,239)	(3,093,541)	(1,986,239)				
	248,457,106	116,020,081	247,043,504	114,900,616				
Maturity analysis:								
Current	248,457,106	69,659,299	247,043,504	68,539,834				
Non-current	-	46,360,782	-	46,360,782				
	248,457,106	116,020,081	247,043,504	114,900,616				

15.1.1 Impairment /expected credit loss

	Group		Group		Authority		Authority	
	30 September		31 December		30 September		31 December	
	2023	2022	2023	2022	2023	2022	2023	2022
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
As at beginning of period	1,986,239	573,566	1,986,239	573,566				
Write back								
Write back for expected credit losses	(5,079,780)	1,412,673	(5,079,780)	1,412,673				
As at end of period	(3,093,541)	1,986,239	(3,093,541)	1,986,239				

15.2 Financial assets measured at FVOCI

	Group		Group		Authority		Authority	
	30 September		31 December		30 September		31 December	
	2023	2022	2023	2022	2023	2022	2023	2022
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Equity instruments								
NG Clearing Limited	1,101,890	1,101,890	1,101,890	1,101,890				
The Infrastructure Corporation of Nig. Limited	100,000	100,000	100,000	100,000				
MTN securities	3,713,582	3,024,319	3,713,582	3,024,319				
Federal Government Bonds	2,775,302	-	2,775,302	-				
	7,690,774	4,226,209	7,690,775	4,226,209				
Maturity analysis:								
Non-current	7,690,774	4,226,209	7,690,775	4,226,209				
	7,690,774	4,226,209	7,690,775	4,226,209				

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15.3 Financial assets at fair value through profit or loss

	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Currency swap	797,092,207	167,152,338	797,092,207	167,152,338
Private equity investments	261,099,527	135,273,206	167,699,715	84,897,397
Hedge fund and long only equity investments	306,239,656	161,820,876	306,239,656	161,820,876
Nigeria Infrastructure Debt Fund	1,578,036	1,578,036	1,578,036	1,578,036
Fixed income products	29,801,895	23,082,776	29,706,109	23,082,776
US treasury notes	31,234,767	18,916,854	31,234,767	18,916,854
	1,427,046,088	507,824,086	1,333,550,490	457,448,277
Maturity analysis:				
Current	858,128,869	186,069,192	858,033,082	186,069,192
Non-current	568,917,219	321,754,894	475,517,407	271,379,085
	1,427,046,088	507,824,086	1,333,550,490	457,448,277

16 Loans and receivables

	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Loan to PFI-NPK Limited	19,314,444	23,741,812	19,314,444	23,741,812
Loans to Metrowaves Sports & Infra Ltd.	5,316,728	4,868,601	-	-
Loans to Kasi Cloud Limited	7,320,558	3,932,417	-	-
Loans to Babban Gona Farmer Services Nigeria Ltd.	-	568,339	-	-
	31,951,730	33,111,169	19,314,444	23,741,812
Impairment /Expected Credit loss	(790,323)	(500,984)	(645,784)	(381,644)
Carrying amount	31,161,397	32,610,185	18,668,660	23,360,168
Maturity analysis:				
Current	-	568,339	-	-
Non-current	31,161,397	32,041,846	18,668,660	23,360,168
	31,161,397	32,610,185	18,668,660	23,360,168

17 Restricted balances and other assets

	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Financial assets:				
Other receivables	6,821,579	267,326,090	6,780,565	272,134,529
Account receivables	9,046,199	11,335,060	8,584,749	10,451,172
Intercompany receivables	-	-	123,281,281	70,844,348
Restricted balance	-	217,437	-	-
	15,867,779	278,878,587	138,646,595	353,430,049
Impairment /expected credit loss	(1,392,136)	(721,019)	(1,324,607)	(778,957)
Total financial assets	14,475,643	278,157,568	137,321,988	352,651,092
Non-financial assets:				
Prepayment	934,293	332,290	776,553	161,948
	15,409,935	278,489,858	138,098,541	352,813,040
Maturity analysis:				
Current	15,409,935	218,353,680	138,098,541	292,709,685
Non-current	-	60,136,178	-	60,103,355
	15,409,935	278,489,858	138,098,541	352,813,040

18 Inventories

	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Finished goods	173,762	198,013	-	-
	173,762	198,013	-	-
Maturity analysis:				
Current	173,762	198,013	-	-
	173,762	198,013	-	-

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19 Investments in subsidiaries

	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
At the beginning of the period	9,000	9,000
At the end of the period	9,000	9,000

19.1 Information on subsidiary entities controlled by the Authority

Name of entity	Place of business/ Country of incorporation	% of	% of	Carrying	Carrying
		ownership	ownership	amount	amount
		30 September	31 December	30 September	31 December
		2023	2022	2023	2022
				N '000	N '000
NSIA Motorways Investment Company (NMIC)	Nigeria	99.99%	99.99%	1,000	1,000
KG Brussels LP	USA	100.00%	100.00%	-	-
FGF Private Equity Co. Limited	Nigeria	99.99%	99.99%	1,000	1,000
FGF Investments Limited	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Agriculture Investment Company	Nigeria	99.99%	99.99%	1,000	1,000
FGF PE Beta Limited	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Property Investment Company Limited	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Power Investment Company Limited	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Healthcare Development and Investment Company Limited	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Investment Management Company Limited	Nigeria	100.00%	100.00%	1,000	1,000
				9,000	9,000

20 Investments accounted for using the equity method

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

	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Associates and joint ventures	46,738,460	27,766,212	17,271,777	12,278,115

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

Associates and joint ventures	13,147,225	3,205,115	-	-
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The table below shows a detailed movement of this balance:

	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
At the beginning of the period	27,766,213	24,680,010	12,278,115	12,278,115
Additions during the period ¹	5,825,022	-	5,825,022	-
Share of profit of associate and joint venture	13,169,602	3,223,076	-	-
Share of fair value reserves of associate and joint venture	(22,377)	(17,961)	-	-
Dividend received	-	(118,912)	-	-
At the end of the period	46,738,460	27,766,213	17,271,777	12,278,115
Maturity analysis:				
Non-current	46,738,460	27,766,213	17,271,777	12,278,115

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

21 Right of use asset

	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Opening balance	173,662	251,270	6,751	73,414
Addition	87,000	-	87,000	-
Depreciation expense	(45,584)	(77,608)	(37,375)	(66,663)
	215,078	173,662	56,376	6,751

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22 Property and equipment Group	Buildings	Plant and machinery	Furniture and fittings	Motor vehicles	Computer equipment	Office equipment	Assets under construction	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost								
As at 1 January 2022	1,594,209	3,002,612	394,741	903,305	283,224	961,841	-	7,139,932
Additions	18,946	28,243	1,291	697,226	21,099	18,769	-	785,574
Disposal	-	(9,700)	(8,900)	(108,120)	-	-	-	(126,720)
As at 31 December 2022	1,613,155	3,021,155	387,132	1,492,411	304,323	980,610	-	7,798,786
As at 1 January 2023	1,613,155	3,021,155	387,132	1,492,411	304,323	980,610	-	7,798,786
Additions in the period	-	-	73,724	65,222	-	7,839	826,309	973,094
Disposals	(493,973)	(9,795)	-	-	14,293	-	-	(570,475)
As at 30 September 2023	1,119,182	2,930,360	460,856	1,557,633	318,616	988,449	826,309	8,201,405
Accumulated depreciation								
As at 1 January 2022	86,805	770,629	231,592	500,006	219,790	170,060	-	1,978,883
Charge for the year	41,643	344,074	56,678	235,526	34,580	110,064	-	822,564
Disposals	-	(9,651)	(7,500)	(104,909)	-	-	-	(122,060)
As at 31 December 2022	128,448	1,105,052	280,770	630,623	254,370	280,124	-	2,679,387
As at 1 January 2023	128,448	1,105,052	280,770	630,623	254,370	280,124	-	2,679,387
Charge for the period	31,529	195,411	59,788	213,287	22,635	94,304	-	616,954
As at 30 September 2023	159,977	1,300,463	340,558	843,910	277,006	374,428	-	3,296,341
Carrying amount								
As at 30 September 2023	959,205	1,629,897	120,298	713,722	41,610	614,022	826,309	4,905,063
As at 31 December 2022	1,484,707	1,916,103	106,362	861,788	49,953	700,486	-	5,119,399
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 2022			228,690	843,410	258,574	2,690		1,093,934
Additions in the year			6,723	659,577	19,474	974		239,430
Disposals			-	(88,220)	-	-		(88,220)
As at 31 December 2022			235,413	1,414,767	278,048	3,664		1,931,892
As at 1 January 2023			235,413	1,414,767	278,048	3,664		1,931,892
Additions in the period			896	65,221	360	-		66,478
As at 30 September 2023			236,309	1,479,988	278,408	3,664		1,998,370
Accumulated depreciation								
As at 1 January 2022			136,993	470,746	209,925	2,219		819,883
Charge for the year			30,776	198,427	29,033	188		258,424
Disposals			-	(84,908)	-	-		(84,908)
As at 31 December 2022			167,769	584,265	238,958	2,407		993,399
As at 1 January 2023			167,769	584,265	238,958	2,407		993,399
Charge for the period			22,472	205,851	21,452	299		250,074
As at 30 September 2023			190,241	790,116	260,410	2,706		1,243,473
Carrying amount								
As at 30 September 2023			46,068	689,872	17,999	958		754,897
As at 31 December 2022			67,644	830,502	39,090	1,257		938,493

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23 Intangible assets	Group	Authority
Software - 30 September 2023	N '000	N '000
Cost		
Balance at 1 January 2023	416,382	176,872
Additions in the period	816	-
Balance at 30 September 2023	<u>417,198</u>	<u>176,872</u>
Amortisation		
Balance at 1 January 2023	321,279	126,880
Charge for the period	19,075	7,015
Balance at 30 June 2023	<u>340,354</u>	<u>133,895</u>
Carrying amount		
Balance at 30 September 2023	<u>76,844</u>	<u>42,977</u>
Software - 31 December 2022		
Cost		
Balance at 1 January 2022	376,647	176,872
Additions	39,735	-
Balance at 31 December 2022	<u>416,382</u>	<u>176,872</u>
Amortisation		
Balance at 1 January 2022	250,952	92,052
Charge for the year	70,327	34,828
Balance at 31 December 2022	<u>321,279</u>	<u>126,880</u>
Carrying amount		
Balance at 31 December 2022	<u>95,103</u>	<u>49,992</u>

24 Other liabilities

	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Financial liability:				
Trade payables	463,755	268,401	162,159	128,785
Intercompany payables	-	-	30,072,852	5,369,784
Other payables	41,459,171	13,976,264	12,705,705	13,244,814
Payables to the Federal Government of Nigeria in respect of the Second Niger Bridge	65,190	65,190	-	-
Tax liabilities	738,034	430,622	-	-
Accruals	863,028	1,279,073	224,276	990,226
	<u>43,589,178</u>	<u>16,019,550</u>	<u>43,164,992</u>	<u>19,733,609</u>
Maturity analysis				
Current	43,589,178	16,019,550	43,164,992	19,733,609
	<u>43,589,178</u>	<u>16,019,550</u>	<u>43,164,992</u>	<u>19,733,609</u>

25 Equity and reserves

	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Contribution by Government	368,359,739	347,375,000	368,359,739	347,375,000
Share Premium	-	1,994,698	-	-
Retained earnings	1,493,881,062	668,493,603	1,463,849,264	652,209,792
Fair value reserve	6,446,424	5,944,329	6,510,584	5,986,113
Foreign currency translation reserve	(9,329,354)	(6,969,557)	-	-
Non-controlling interest	(143,592)	(149,140)	-	-
	<u>1,859,214,279</u>	<u>1,016,688,933</u>	<u>1,838,719,586</u>	<u>1,005,570,905</u>

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25.1 Retained earnings

	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Opening balance	668,493,603	567,617,909	652,209,792	556,236,854
Reclassification from retained earnings to share premium	-	(1,994,698)	-	-
Derecognition of fair value changes on equity investments (FVOCI)	-	496,071	-	-
Profit for the period	825,387,460	102,374,321	811,639,472	95,972,938
	<u>1,493,881,062</u>	<u>668,493,603</u>	<u>1,463,849,264</u>	<u>652,209,792</u>

25.2 Fair value reserve

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

	Group 30 September 2023 N '000	Group 31 December 2022 N '000	Authority 30 September 2023 N '000	Authority 31 December 2022 N '000
Opening balance	5,944,329	5,889,638	5,986,113	5,709,341
Change in value of financial assets measured at FVOCI	524,472	72,652	524,471	276,772
Share of change in value of financial assets measured at FVOCI - (Associates)	(22,377)	(17,961)	-	-
	<u>6,446,424</u>	<u>5,944,329</u>	<u>6,510,584</u>	<u>5,986,113</u>

25.3 Foreign currency translation reserve

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

	Group 30 September 2023 N '000	Group 31 December 2022 N '000
Opening balance	(6,969,557)	(1,030,107)
Exchange differences arising during the period	(2,359,797)	(5,939,450)
	<u>(9,329,354)</u>	<u>(6,969,557)</u>

25.4 Non-controlling interest (NCI)

	Group 30 September 2023 N '000	Group 31 December 2022 N '000
Opening balance	(149,140)	(125,790)
Loss attributable to NCI	5,548	(23,350)
	<u>(143,592)</u>	<u>(149,140)</u>

26 Related parties

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

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

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

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

27 Events after the reporting period

There were no significant or material adjusting events after the reporting period



INDEPENDENT PRACTITIONER'S REPORT TO THE MEMBERS OF NIGERIA SOVEREIGN INVESTMENT AUTHORITY

Report on the Financial Statements

We have reviewed the accompanying condensed consolidated and separate interim financial statements of Nigeria Sovereign Investment Authority (the "Authority") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statement of financial position as at 30 September 2023, and the consolidated and separate statement of financial performance, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards ("IFRS"), and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying condensed consolidated and separate interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements.

ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

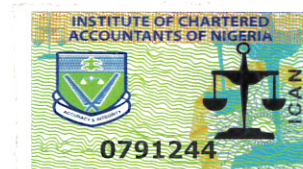
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated and separate interim financial statements do not give a true and fair view of the financial position of the Group and the Authority as at 30 September 2023, and of its financial performance and its cash flows for the period then ended in accordance with the International Financial Reporting Standards (IFRS).

Tolu Adeleke

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

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



21 December 2023

PricewaterhouseCoopers Chartered Accountants

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