

# Building for the Future

Enabling Sustainable Economic Development

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Annual Report and Accounts 2022









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## About the NSIA

The Nigeria Sovereign Investment Authority ("NSIA" or "the Authority") is an investment institution with diversified investment portfolios in key sectors of the global and domestic markets. Established by an Act of the National Assembly of the Federal Republic of Nigeria in 2011, NSIA catalyses positive socio-economic outcomes by receiving, managing, and investing funds in excess of budgeted hydro carbon revenues through three distinct and ring-fenced funds, namely: Stabilisation Fund (SF), Future Generations Fund (FGF), and Nigeria Infrastructure Fund (NIF).

The SF provides fiscal support to the government in times of economic stress, FGF accumulates long-term savings for future generations of Nigerians, while the NIF is leveraged to deepen the stock of critical domestic infrastructure. Some of the critical sectors the NIF invests in are healthcare, agriculture, power, innovation and technology, gas industrialisation, as well as financial market infrastructure.

Both SF and FGF are invested in multiple demographics, with investment strategies premised on developing resilient portfolios to preserve value and earn meaningful returns. NIF, however, is primarily invested in Nigeria to support economic growth and catalyse key sectors of the economy.

NSIA began investment activities in 2013 with a seed capital of US\$1 billion. In recognition of its pivotal role as a strategic partner of the Government focused on improving socio-economic outcomes, NSIA received additional funding from the Federal Government of Nigeria (FGN) between 2016 and 2020. In 2020 during the COVID-19 pandemic, the Federal Government withdrew the sum of US\$150m from the SF to fund its COVID-19 intervention budget.

At inception, the Authority had an asset allocation strategy of 20:40:40 for SF, FGF and NIF respectively. In 2018, following a Board directive, a new allocation ratio of 20:30:50 for the respective funds - which reflects an increased focus on domestic infrastructure - was implemented.

With over ten years of successful operation and excellent service delivery, the Authority has consistently demonstrated its commitment to advance pivotal socio-economic outcomes for Nigerians across key sectors and demographics. The Authority's sustained positive performance – underpinned by world-class governance procedures and processes – has enabled it to gain the trust of relevant stakeholders within the public and private sectors of the Nigerian economy. NSIA has also retained its pride of place as the highest-ranked SWF in Africa since 2015.

Over the years, the Authority has developed strategic investment partnerships with multilateral development agencies and private sector institutions like the KfW Group, a German state-owned Development Bank, Africa Finance Corporation (AFC); International Finance Corporation (IFC); World Bank (WB); and the United Kingdom's Department for International Development (DFID).

## The Mandate Funds

NSIA manages three separate and ring-fenced funds to enable it actualise its institutional mandate. These funds are: the Stabilisation Fund (SF), Future Generations Fund (FGF), and Nigeria Infrastructure Fund (NIF). They all have different objectives, asset allocation, investment strategies, benchmarks, and target returns.

### Stabilisation Fund

The SF is one of the three ring-fenced funds managed by the Authority. With 20% of the Authority's assets under management (AUM) since inception, the purpose of the SF is to provide support to the Federal Government of Nigeria in times of economic stress.

Essentially, the SF is structured to act as a buffer against short-term macroeconomic shocks that could cause considerable fiscal shortfalls.

### Future Generations Fund

The purpose of the FGF is to preserve and grow the value of assets transferred into it. The Fund achieves this objective by investing in a diversified portfolio of appropriate growth investments in order to provide future generations of Nigerians with a solid savings base for such a time as the country's hydrocarbon reserves are depleted.

At inception, 40% of the Authority's seed capital was allocated to the FGF. This percentage allocation to the Fund was applied to subsequent core capital contributions received by the Authority. However, since 2018, the Fund been allocated 30% of the Authority's capital contributions.

### Nigeria Infrastructure Fund

The NIF is the only fund of the three ring-fenced assets managed by NSIA that focuses solely on domestic investments. The Fund invests in catalytic infrastructure projects in Nigeria that meet targeted financial returns and contribute to the socio-economic development of the country. Some of the key economic sectors the NIF invests in include healthcare, agriculture, power, technology, gas industrialization, mining, and financial market infrastructure/ Environmental, Social, and Governance (ESG).

With 40% of NSIA's AUM at the creation of the Fund in 2011, the percentage of capital allocation to the NIF from capital contributions received by the Authority increased to 50% in 2018.

NSIA is committed to sustainable practises and has developed an Environmental, Social and Governance (ESG) strategy that ensures that ESG considerations are incorporated into



Site Inspections at the Second Niger Bridge.

investment decisions.

Following the aforementioned, NSIA received global commendations for establishing the foundation for ESG integration in its operations and investments processes. The Authority scored 84% in the 2022 Governance, Sustainability and Resilience (GSR) scoreboard of the global Sovereign Wealth Fund (SWF) – a renowned platform that tracks over 400 Sovereign Wealth Funds (SWF) and Public Pension Funds (PPF).

In 2022, NSIA received AAA rating from Agusto & Co, Nigeria's foremost rating agency. This further validates the Authority's position as a premium investment institution with strong capitalisation and liquidity, diversified investment portfolio, acceptable asset quality, low environmental risk profile, and

sustained profitability.

NSIA is a member of the International Forum of Sovereign Wealth Funds (IFSWF), the One Planet Sovereign Wealth Fund (OPSWF) and the Africa Sovereign Investors Forum (ASIF).

NSIA also subscribes to the Santiago Principles which prescribes global best practises for managing Sovereign Wealth Funds.

Through these platforms, NSIA contributes to the body of knowledge about activities of SWFs, fosters collaborations that strengthen the community of sovereign wealth funds, uphold environmental stewardship, and creates shared value for all its stakeholders.



## Our Corporate Philosophy



### Our Vision

To establish NSIA as a leading global sovereign wealth fund, which plays a key role in promoting investments for Nigeria's economic development.



### Our Mission

To play a leading role in driving sustained economic development for the benefit of all Nigerians through:

- building a savings base for the Nigerian people
- enhancing the development of Nigeria's infrastructure
- providing stabilisation support in times of economic stress



### Our Core Values

The Authority's fundamental beliefs and culture are driven by three guiding principles:



#### Integrity

We are uncompromising in our adherence to the tenets of probity, character and accountability in all our endeavours.



#### Discipline

Within the ambit of our enabling Act, we conscientiously apply ourselves in all we do.



#### Transparency

Our activities are clear and consistent with best practice.

These are the ideals against which we evaluate all actions, relationships, and investments.

## Chairman's Statement

I am pleased to present the Annual Report and Audited Financial Statements of the Nigeria Sovereign Investment Authority ('NSIA' or 'the Authority') for the year ended 31 December 2022. It was another year of successful operations and investment for the Authority. This is especially the case, in light of the macroeconomic stress that imperilled global markets during the year. Despite the challenges, NSIA sustained its decade-long record of profitability.

### Financial Performance

The net assets of the NSIA Group, encompassing both the Authority and its subsidiaries, exhibited robust growth, increasing by 10.5% from ₦919.73 billion in 2021 to ₦1.017 trillion in 2022. Despite a decline in total comprehensive income from ₦147 billion in 2021 to ₦97 billion in 2022, this outcome is notably positive given the challenging global macroeconomic conditions.

The Authority achieved a commendable 10% return on equity in 2022, signifying efficient net asset deployment throughout the year.

### 2022 Macroeconomic Outlook

In 2022, multiple crises reverberated through global markets. The Russia-Ukraine war persisted throughout the year and heightened geopolitical uncertainties. Concurrently, many advanced economies grappled with historic levels of inflation, prompting major central banks to respond with multiple interest rate hikes. These actions, in turn, impacted the values of financial assets invested in liquid US Treasury notes and other long-term maturities.

These developments had a direct impact on the performance of the Stabilisation Fund which primarily invest in such safe-haven assets. Despite these challenges, our portfolios outperformed a number of SWFs. This success is attributed to our strategic allocation to markets and sectors with higher risk-adjusted returns and growth prospects. These timely and effective measures played a crucial role in mitigating potential losses, ensuring the sustainability and profitability of the funds.



**Mr. Farouk Mohammed Gumel**  
Chairman, Board of Directors, NSIA

The governance and investment strategies of NSIA have positioned the Authority to capitalise on marketplace opportunities and minimise the impact of risks on our portfolios.

### Domestic Investments in Infrastructure

In 2022, our domestic investments facilitated through the NIF gained momentum despite local challenges. Significant strides were made across various projects, with several successfully completed. Notably, the 10 megawatt (MW) Solar Plant in Kumbotso, Kano State, stands as the largest off-grid renewable energy facility in Nigeria. Additionally, Pandagric Novum Farms, a 3,500-hectare integrated farm in Panda, Nasarawa State, was commissioned. The farm is equipped with state-of-the-art irrigation, a feed mill, and two 150,000 metric ton (MT) silos.

Another noteworthy development is the ongoing collaboration with OCP, a Moroccan state-owned entity controlling 31% of the global phosphates market to establish Ammonia and Diammonium Phosphate Production Plants in Akwa Ibom State.

Regarding our road projects under the Presidential Infrastructure Development Fund (PIDF) managed by the Authority, we reached 90% completion on both the Lagos-Ibadan Expressway and Second Niger Bridge as of December 2022, with plans for commissioning in 2023. The Abuja-Kaduna-Zaria-Kano Road (AKR), achieved a 43% completion level based on the revised project scope. Notably, Sections 2 & 3 are expected to be substantially completed in 2023, while Section 1 faces delay due to security concerns. We anticipate completion within 18 months, with a planned commissioning in Q1, 2025.

In 2022, the NSIA Prize for Innovation (NPI) was introduced to enable the growth and development of the Nigerian technology ecosystem by scaling technology-enabled solutions.

### Sustainability Impact

Our projects have consistently generated employment, transformed lives, and spurred the growth of industries, aligning with the trajectory of Nigeria's economic prosperity and sustainable development. The Board acknowledges that true development extends beyond financial returns; it necessitates expertise and collaborative efforts. Consequently, many of our initiatives are executed in partnership with entities that bring in capital, expertise, and pertinent experience.

Moving forward, the Authority is committed to broadening its partnerships and collaborations. This is to ensure that both ongoing and new projects access the best informational and technical support at every stage. These strategic partnerships will remain integral as we continue to navigate the path of growth.

### Leadership Transition

The year 2022 marked a significant transition period for NSIA with the conclusion of the second term in office of the

pioneer Managing Director and Chief Executive Officer, Mr Uche Orji. I wish to extend my appreciation for his dedicated contributions to NSIA, until the statutory limit of his tenure. Mr. Orji, along with the preceding Executive Directors, led the institution diligently and meritoriously throughout its first decade. The Board expresses gratitude for their services and wishes them success in their future endeavours.

The appointment of the new Managing Director and Chief Executive Officer, Mr. Aminu Umar-Sadiq, as well as the Executive Directors, Mr. Kolawole Owodunni and Mrs. Olubisi Makoju, followed a competitive and transparent selection process.

### 2023 Outlook

We expect that the challenges and headwinds experienced in 2022 will persist in 2023, particularly in the first half of the year. Nevertheless, we will remain very vigilant throughout the year to ensure that the potential impact on our portfolios is mitigated and that the Authority continues to harness investment and growth opportunities. We anticipate the global economy to remain fragile and this is a critical factor for investment performance. The NSIA has remained competitive in spite of unfavourable market conditions and we intend to continue along this trajectory.

A key enabler of our future performance would be the continued implementation of the Petroleum Industry Act 2021, especially as it pertains to NSIA. The Act overhauled the



Pandagric Novum Farm.



Presidential Artisanal Gold Mining Initiative (PAGMI) Plant site.



regulation and governance of the oil and gas industry. This aims to bring predictability to the Authority's funding. NSIA is working closely with the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) on the modalities for receiving royalties from the sale of crude oil pursuant to the Act.

I extend our immense appreciation to His Excellency, President Muhammadu Buhari, GCFR, for the confidence reposed in the Board. I want to thank His Excellency, Vice President Yemi Osinbajo, SAN, the Chairman, Governing Council, for his exemplary oversight and guidance.

Our profound gratitude also goes to members of the Governing Council, particularly those who will complete their terms of office with the current administration. We have valued their support and co-operation and wish them great success in their career journey. Through its guidance and financial support, the Governing Council has been a cornerstone of NSIA's success story till date.

As a Board, we will continue to pursue investment opportunities that position the Authority for further growth



A cross section of technology experts at a panel session during the launch of NSIA Prize for Innovation.

and the actualisation of its mandate.

Thank you.

**Mr. Farouk Mohammed Gumel**  
Chairman, Board of Directors, NSIA

## Chief Executive Officer's Review

It is my pleasure to present highlights of the Authority's activities in 2022. Despite facing numerous global challenges with far-reaching implications on the valuation and performance of investment portfolios worldwide, it was a commendable year for the Authority. NSIA continued to dutifully safeguard the FGF, the SF, and the NIF. Consistent with our track record of the past decade, we navigated economic cycles and market volatilities, ensuring the long-term profitability of these funds.

NSIA has consistently remained the preferred partner for executing complex and consequential projects of National relevance. In 2022, we not only advanced challenging transactions but also initiated new ones, reinforcing our commitment to driving positive outcomes.

NSIA demonstrated sustained excellence in governance throughout the year. Our performance remains steadfast despite a transition in management and the forthcoming political changes in the country. Across our operations, and overall performance, we consistently achieved significant progress.

### Macroeconomic Outlook

In 2022, three over-arching themes shaped the macroeconomic landscape. Firstly, the prevalence of price instability marked the year. Global inflation persisted, prompting monetary authorities in major economies to respond with interest rate hikes. This, in turn, led to a de-valuation of long-term assets and raised concerns about potential recessions in those economies.

The second theme centred on the Russia-Ukraine war and its repercussions on the supply chain of staple foods and essential agricultural inputs, such as fertiliser. Beyond heightening geopolitical tensions, the conflict between the two largest Eastern European countries posed a threat to global payment systems. The increased use of sanctions by the United States and its western allies to deter Russia's actions in Ukraine introduced uncertainty into investment decisions and raised compliance concerns with certain standards. Additionally, the crisis had a notable impact on the prices of hydrocarbons.

The third focal point in the global macroeconomic environment centred on China. Against the backdrop of the cautious re-opening of the world's second-largest economy following its zero-COVID-19 policy aimed at containing the pandemic, coupled with its extensive manufacturing capacity and integration into global supply chains, the prolonged pandemic lockdown in the country heightened concerns among investors.



**Aminu Umar-Sadiq**  
MD & CEO, NSIA



## Financial Performance

In spite of the prevailing challenges and associated impacts, NSIA demonstrated outstanding performance in 2022, with our investment assets surpassing global benchmarks. The Authority's commendable overall performance is especially noteworthy in the face of a 33% decline in the tech-focused Nasdaq Composite Index and a 19.44% drop in the S&P Global. As a group, NSIA maintained a positive financial performance primarily because of our strategic and defensive asset allocation. Our portfolio included exposures to infrastructure, real estate, hard assets, cash, and a diverse array of investment instruments, effectively mitigating the impact of market risk.

NSIA has consistently leveraged the strategic structure of its three core funds to its advantage. The intentional diversification across various areas within these funds has played a pivotal role in risk mitigation. Specifically, for the FGF and SF, we employ strategic and tactical asset allocation methodologies, a deliberate approach that sacrifices some upsides during market peaks but serves as a robust downside mitigant during market downturns. Our commitment to high-quality due diligence and the selection of seasoned asset managers, adept at delivering superior returns even amidst challenging market conditions, has been instrumental in sustaining our financial performance.

Notably, our infrastructure business has demonstrated resilience, contributing significantly to our overall positive performance. The healthcare portfolio exhibited profitability in 2022, as did PFI-NPK and third party mandates. Across all revenue components—investment income, interest income, fiduciary activities, and infrastructure business—we performed creditably.

However, it is crucial to acknowledge the impact of frequent interest rate hikes aimed at combating the rising inflation. These measures led to a reduction in the valuation of financial assets, consequently affecting our overall performance. FGF closed the year at -4% against the targeted benchmark, while SF achieved a 4% growth against the targeted 6.4%. It is essential to note that there are expectations for these long term investments to turn the corner.

In summary, the Authority's relative performance remained competitive with its financial performance reflecting a net gain of approximately ₦97 Billion inclusive of foreign exchange re-valuation gains.

## Non-Financial Performance

Our non-financial achievements were particularly impressive. One notable factor that underscored the Authority's outstanding performance was the strength of our governance framework. Credit is due not only to the Board but also to the government—specifically, the President of the Federal Republic of Nigeria and the Minister of Finance, Budget and National Planning—for upholding the independence crucial for capital allocation, and the utilisation of our core funding contributions. Equally commendable was the transparent and credible process that governed the leadership succession at NSIA.



Members of Staff at the Launch of the NPI Programme.

Another area of excellence in our non-financial performance is our journey to integrate ESG into our processes and investment opportunities. In a frontier economy like ours, having a tier-one government agency prioritise environmental stewardship remain profitable and simultaneously create shared value is crucial. Our sustainability commitments extend beyond investment considerations to our institutional practices.

The third pillar of our non-financial performance is our commitment to employees. Our leadership is dedicated to developing our teams. This commitment is evident in the organic leadership of our subsidiaries and demonstrated through various capacity enhancement initiatives, programmes and specialised training for all project heads. Specifically, tailored leadership training for heads of businesses in our new projects equips them to lead effectively, motivate, articulate a vision, and meaningfully engage their respective teams.

## Commitment to Sustainable Economic Development

The Authority's dedication to sustainable economic development is manifested in the strategic selection of infrastructure investments; in healthcare, agriculture, or renewable energy, among others. Our choices validate our focus on the long-term prosperity of the nation.

Our investments play a pivotal role in catalysing economic growth, unlocking opportunities in sectors previously deemed unbankable, and presenting models that effectively mitigate risks. This strategic approach not only positions NSIA as a key driver of economic development but also encourages other stakeholders to adopt the Authority's successful models.

## Infrastructure Projects

In 2022, our healthcare expansion initiative entered an expansion phase with the success of the proof-of-concept projects; two modern medical diagnostic centers; NSIA-Kano Diagnostic Centre (NKDC) and NSIA-Umuahia Diagnostic Centre (NUDC) as well as a state-of-the-art oncology centre NSIA-LUTH Cancer Centre (NLCC).

Concurrently, we invested in the Fund for Agricultural Finance in Nigeria (FAFIN) and the Presidential Fertiliser Initiative (PFI), the latter being a backward integration and production

program for local NPK. At the end of 2022, six years after the PFI commenced, the number of fertiliser blending plants in the country had risen from four (4) to over seventy (70).

Progress on the three ongoing road projects under the Presidential Infrastructure Development Fund has been commendable, and we anticipate the commissioning of two out of the three projects by the President in 2023.

The completion of our 10 megawatt Solar Project in Kumbotso, Kano State, is a significant accomplishment, with expectations for commissioning early in 2023. This project will serve as a proof-of-concept, laying the groundwork for the fund to attract additional investments in renewable energy projects nationwide.

Our collaboration with OCP of Morocco in the Ammonia and Diammonium Phosphate production facility in Ikot Abasi, Akwa Ibom State, Nigeria, continued to make progress throughout 2022.

Amidst considerable excitement, we launched the NSIA Prize for Innovation (NPI) at the end of 2022, with plans for a demo day in the second quarter of 2023.

Looking ahead, we are enthusiastic about creating more financial market infrastructure companies, and climate focused co-investment opportunities.

### Appreciation

I extend my gratitude to President Muhammadu Buhari, GCFR; Vice President Yemi Osinbajo, GCON; the Honourable Minister of Finance, Budget and National Planning - Mrs Zainab Ahmed, and all members of the Governing Council. I also appreciate the steadfast support from the Board, Management, and the entire NSIA staff. Leading a distinguished institution like NSIA is a



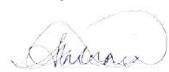
The Second Niger Bridge under construction.

privilege, and I express my sincere thanks.

I am optimistic that macro-economic trends will shift by the second half of 2023, alleviating their impact on financial markets.

Our focus remains on timely project execution, bolstering deal origination, commissionings, groundbreaking activities, and strategic partnerships throughout 2023. As a dedicated management team, we are poised to elevate NSIA through improved performance across all aspects, including sustainability and staff welfare.

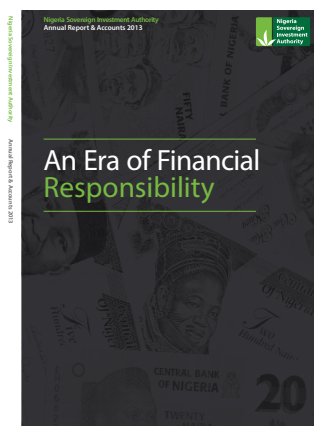
We look forward to greater opportunities and a prosperous new year.



**Aminu Umar-Sadiq**  
MD & CEO, NSIA



# Investment Milestones



2012-13

- The first NSIA Board was inaugurated by His Excellence President Ebele Goodluck Jonathan. GCFR, GCON.
- Signed Memorandum of Understanding (MoU) with Africa Finance Corporation and General Electric.
- Established Nigeria Mortgage Refinance Company (NMRC) in partnership with the Federal Ministry of Finance (FMOF); Federal Ministry of Works, Housing and Urban Development (FMWHUD); Central Bank of Nigeria (CBN); and World Bank/ International Finance Corporation (IFC).
- Invested in Fund for Agricultural Finance in Nigeria (FAFIN) with Federal Ministry of Agriculture & Rural Development (FMARD) and the German Development Bank (KfW).



2014

- Commenced the second Niger Bridge project.
- FGN transferred US\$550 million to NSIA to be managed on behalf of Nigerian Bulk Electricity Trading (NBET) Plc and Debt Management Office (DMO).
- NSIA invested US\$100 million in Seven Energy from third-party managed funds.
- NSIA's healthcare subsidiary signed an MoU with six federal healthcare institutions across the country.



2015

- New mandate from the Federal Government to manage 25% of funds accruing to the FGN Stabilisation Accounts.
- Signed an MoU with Ogun State Government and Lafarge Africa Plc to undertake Land Degradation Neutrality Project.
- First Governing Council (GC) meeting was held.
- Additional US\$250 million capital approved for allocation to NSIA.
- Completed Early Works III and advanced negotiation of Concession Agreement for Second Niger Bridge.
- The Vice President of the Federal Government of Nigeria commissioned a task force for the establishment of the PIDF and named NSIA Fund and Project Manager.

# Investment Milestones



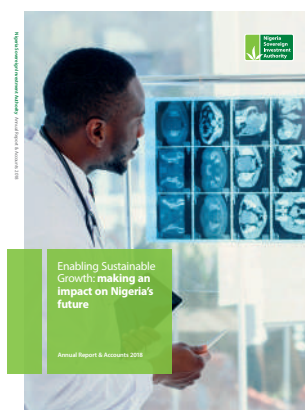
2016

- Started the PFI through our subsidiary, NAIC-NPK Ltd.
- Signed an MoU with Ithmar Capital Morocco for strategic investments in key sectors of the Nigerian economy.
- Established an Agriculture Fund with UFF Agri Fund of South Africa (target fund size of US\$200 million).
- Established US\$500 million Real Estate Fund with Old Mutual Africa Property Management Company of South Africa.
- Received approval from the National Council on Privatisation (NCP) and the Honourable Minister of Finance to invest in the pre-privatisation phase of the Nigeria Commodities Exchange.
- Incorporated and operationalised Family Homes Funds Ltd (FHFL), an initiative designed to create a blended pool of long-term funds to provide affordable homes and mortgages.



2017

- The second Board was appointed by His Excellency, President Muhammadu Buhari, GCFR.
- Established InfraCredit in partnership with GuarantCo (a part of the Private Infrastructure Development Group (PIDG).
- Additional US\$250 million capital injection, as committed by National Economic Council (NEC) / Governing Council
- Over 8 million bags of NPK 20:10:10 produced as part of the PFI.
- Invested in the Education sector through Bridge International Academies.
- Invested in the Chapel Hill Denham Nigeria Infrastructure Debt Fund.

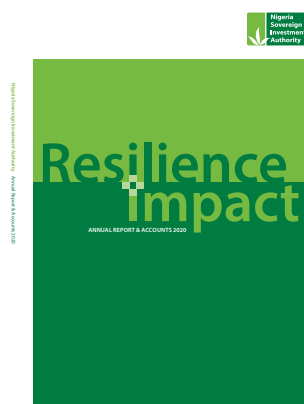


2018

- Received US\$650 million from the Federal Government to manage under the PIDF.
- Invested US\$260 million under the PIDF.
- Commenced US\$10 million Oncology Centre within the Lagos University Teaching Hospital (LUTH).
- Commenced diagnostic centre projects at Aminu Kano Teaching Hospital (AKTH), Kano State and Federal Medical Centre Umuahia (FMCU), Abia State.
- Commenced discussions with OCP Morocco on the development of the 750KMT ammonia terminal.
- Made commitment in Project Panda (Novum), an integrated agro production project in Nasarawa State.
- Africa Finance Corporation (AFC) invested US\$25 million in NSIA-incubated InfraCredit, leading to joint ownership.
- Operationalised the Development Bank of Nigeria (DBN) on behalf of the Ministry of Finance Incorporated (MOFI) with over 20% stake.



# Investment Milestones



2019



- The Federal Government contributed an additional net sum of ₦70.3 billion to PIDF.
- Deployed ₦208.2 billion across the three PIDF road and bridge construction projects: Second Niger Bridge, Lagos-Ibadan Expressway, and Abuja-Kano Road.
- The Federal Government of Nigeria, Bailiwick Jersey and the United States of America agreed to invest the US\$311.8 million recovered assets across the three PIDF projects.
- First allocations to the venture capital sector, to G-squared IV and Ingressive Capital Fund.
- Revived a total of 31 fertiliser blending plants with a combined annual installed capacity of more than five million metric tonnes (MT).
- Invested US\$5 million in Babban Gona, a scalable agriculture franchise that tackles constraints in smallholder farming.
- The National Economic Council (NEC) approved an additional investment of US\$250 million for the Authority.
- His Excellency, President Muhammadu Buhari, GCFR, inaugurated the US\$11 million NSIA-LUTH Cancer Centre at the Lagos University Teaching Hospital (LUTH).
- DBN, in which NSIA controls a minority stake on MOFI's behalf, lent more than ₦10 billion to micro, small and medium enterprises (MSMEs) by year end.

2020



- Received an additional contribution of US\$250 million from the Federal Government.
- The Board approved the inclusion of Gas Industrialisation and Technology/Innovation in its focus sectors.
- Completed operationalisation of the proof-of-concept projects: NKDC and NUDC.
- Invited to serve as Fund and Project Manager of the Kano Solar Project (now Haske), a 10 megawatts solar power project situated in Kumbotso, Kano State.
- Advancement in NSIA-OCP Multi Purpose Industrial Platform (MIPL) (formerly known as Basic Chemicals Platform) NSIA's pilot gas industrialisation project.
- Undertook PFI restructuring.
- Disbursed approximately ₦92.2 billion for the construction of the PIDF priority toll-road projects: Lagos-Ibadan Expressway, Abuja-Kano Road, and Second Niger Bridge.
- Disbursed US\$150 Million from the Stabilisation Fund, to the Government to cushion the economic stress caused by the COVID-19 pandemic.

2021



- The third Board was inaugurated by His Excellency, President Muhammadu Buhari, GCFR.
- Completed the restructuring of PFI into a 'for profit' venture.
- Recorded over fifty (50) fully-functioning fertiliser blending plants with combined average annual output of 1.5 million metric tons, which exceeded local demand in 2021.
- Completed the retrofitting of NSIA-UFF Agric Project, Panda-Agric Novum in Nasarawa State.
- NSIA-LUTH Cancer Centre treated about 1800 unique patients and administered over 3300 chemotherapy sessions.
- Commenced discussions on the Healthcare Expansion Programme.
- Second Niger Bridge and Lagos-Ibadan Expressway reached 90 percent completion and set for completion in Q4.
- Became a member of the One Planet Sovereign Wealth Fund (OPSWF).

## Investment Milestones



2022



- Reached 10th year of successful operations.
- Made first direct investment in digital infrastructure via Kasi Cloud Limited, a hyperscale data center and digital ecosystem.
- Completed construction of a 10MW solar farm on 24 hectares of land situated in Kumbotso Local Government Area of Kano State.
- Concluded all feasibility studies required for the development of NSIA-OCP MIPL.
- Signed agreements with three state governments and five tertiary hospitals for the implementation of phase one of the Healthcare Expansion Programme.
- Launched the US\$255,000 NSIA Prize for Innovation (NPI) to support the technology ecosystem in Nigeria.
- Set up Agri Plus Fund, an agriculture-focused Naira fund, and resourced it with ₦10 billion seed financing.
- Inaugurated a new Executive Management team sourced entirely from internal employees.
- Received first credit rating - 'Aaa' from Agosto & Co.
- Progressed projects under PIDF: achieved 87% and 70% completion of sections 1 and 2 of the Lagos-Ibadan Expressway, attained 85% completion of the Second Niger Bridge, completed the original scope of the Abuja-Kaduna-Zaria-Kano Road and 27% of the re-scoped road project.

## Market Overview

Global economic growth slowed down in 2022, sharply contrasting with a strong post COVID-19 performance of 2020. According to the International Monetary Fund (IMF), the world's output growth slumped from 6.0% in 2021 to 3.2% in 2022.

The signs that the year would be challenging for the global economy and markets began to emerge with the outbreak of the Omicron variant of the Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2) in November 2021, and the uptick in global inflation.

With the exception of Japan, where growth was projected to remain at 1.7% in 2021, all the advanced economies witnessed reduced real GDP growth rates in 2022. Data from the IMF showed that growth in the United States declined from 5.7% in 2021 to 2% in 2022. Growth in the Euro Area dropped from 5.2% to 3.5% over the same period. Similarly, emerging markets and developing economies recorded a sharp drop in GDP growth from 6.6% to 3.9%, amid global vulnerabilities. The average real GDP growth rate for Sub-Saharan Africa dropped from 4.7% to 3.8%. The IMF noted that this data constituted the weakest growth profile since 2001 barring 2008 and 2020.

The IMF forecasted global inflation to rise from 4.7% in 2021 to 8.8% in 2022. The high inflation was driven by supply-side constraints that lingered from the first year of the COVID-19 pandemic. Further inflationary pressure on food and energy prices was caused by the Russia-Ukraine war. The war introduced a geopolitical dimension to economic risk as the United States of America and some of its western allies provided military and financial assistance to the country to defend its territory. The war raised concerns about food and energy supply given the crucial role both countries play in the supply of essential commodities.

Central banks moved to counter the rising inflation by raising interest rates. While this followed the textbook prescription for restoring price stability, the interest rate hikes could curtail demand, with the implication of slowing down the economy. To forestall this threat, many advanced economies continued to intervene with fiscal spending to alleviate the cost-of-living pressures.

Throughout the year, the fear of a global recession remained at the front burner, however, this did not stop the monetary

authorities from continued interest rate hikes. Accordingly, the US Federal Reserve raised the interest rates during seven consecutive Federal Open Market Committee (FOMC) meetings in 2022 from 0.25% in March to 4.50% in December.

Expectedly, the policy decisions reverberated across equity markets. As investors scrambled for safety and yield, there was a financial outflow from emerging and frontier markets, with investors attracted to higher yields offered by US Treasuries.

### Financial Markets

Global equities market suffered a rout in 2022 with continued economic fragility caused by the COVID-19 pandemic, rising inflation, geopolitical tension stirred by the Russia-Ukraine war and the Central Bank's response to inflationary pressure. These crises were concurrent with rising public debt in many developing countries, high unemployment rates and growing poverty..

Uncertainty also arose from China, owing to its multiple crises, declining GDP, continued COVID-19 lockdown, and the crisis in its real estate sector. The government in Beijing signalled a crackdown on speculation in its housing market while curtailing excesses in the credit market.

Data from Statista shows that the total market capitalisation of domestic companies listed on stock exchanges worldwide fell by 19.17%, from US\$121.94 trillion in 2021, to US\$98.56 trillion in 2022. According to Bloomberg, approximately US\$18 trillion was wiped out from the valuations of global stocks during the year. The value of MSCI All-Country World Index dropped by more than 20%, recording its worst year since the global financial crisis in 2008.

Unlike 2021, which was viewed by investors as a year of two halves, when losses in the first half of the year were reversed in the second half, asset price volatility was persistent in 2022. Risk associated with re-valuation of long-term assets also contributed to the losses experienced by investors. However, the risk of financial instability or significant distress in the banking sector was staved off during the year.

### Developed Markets

#### USA

2022 was a difficult year for the US equity market, S&P 500 was down 19.4%, DJIA lost 8.8% of its value, while Nasdaq Composite closed 33.1% lower. It was the worst performance of the US stock market since the 2008 global financial crisis. In spite of the full-year losses, Dow Jones and S&P rallied to 15.4% and 7.1% gains, respectively, in Q4 2022.

For the US big technology (tech) companies, 2022 was dubbed "the year of reckoning". After outperforming the market for years, Apple, Microsoft, Alphabet, Amazon, and Meta experienced sharp losses. The big tech companies lost an average of 30% in 2022.



The US market was roiled by geopolitical tension and macroeconomic risk. However, positive GDP growth of 2% indicated a decoupling of the equity market rout from the real economy. The US labour market also posted strong performances during the year. Unemployment rate trended down to 3.5% in December, back to its level in 2020 before the pandemic and matched the best performance since 1969.

## Europe

Global risks, including rising inflation, geopolitical tension, and economic weakness arising from the COVID-19 pandemic, weighed down the European stock markets in 2022. The pan-European Stoxx 600 Index closed at -12.76%. This marked a sharp decline compared to the 22.25% gain in 2021 representing the worst performance of the index since its -13.24% annual decline in 2018.

The main equity indexes of the major European markets also recorded heavy losses. The French CAC 40 declined by 9.5% while the German DAX lost 12.5%. It was a mixed performance for the two major indexes of the UK. Whereas FTSE 100 recorded a marginal gain of 1.2%, (largely due to devaluation) the more domestically focused FTSE 250 lost 19.5% in 2022, its biggest annual loss since 2008.

In July 2022, the European Central Bank (ECB) began a cycle of interest rate increases in response to high inflation. ECB's Deposit facility rose from 0% interest rate in July to 2% in December, as the monetary policy decisions sought to curtail the cost-of-living crisis.

The Russia-Ukraine war raised the spectre of a major military conflict and energy crisis in Europe. The food and energy crisis also caused a re-alignment of energy security in Europe. In the short term, this is expected to accelerate the region's transition to renewable energy, reducing its dependence on energy supply from Russia.

## Japan

In the year under review, the Japanese Nikkei 225 Index recorded a decline of 9.4%, its first decrease in four years. The Japanese post COVID-19 recovery challenges contributing to subdued economic growth. Against a backdrop of a lacklustre growth forecast, investor confidence in the Japanese equity market remained low, influenced by global geopolitical uncertainties, inflationary concerns, and global monetary policy tightening. These factors overshadowed the positive impact of robust corporate earnings due to the depreciation of the Yen.

Data released by Japan's internal affairs ministry showed that core inflation, rose by 3.0%, the highest rate in 41 years. The index was impacted by rising prices of crude oil and grains as a result of the Russia-Ukraine war. Energy prices, including electricity rates, soared by 12.8%.

Despite the uptick in inflation, the Bank of Japan held interest rates near zero in 2022. However, in December, the reserve bank said it would allow an increase in the yields on long-term government bonds above its 0.25% band.

## Emerging Markets

With weak investor sentiments, the MSCI Emerging Markets Index which captures large and medium sized public equities across emerging markets fell by 20%. Emerging market giant, Russia, contributed geopolitical risks to the global economy in 2022 with its invasion of Ukraine.

China, the world's second-largest economy by GDP, recorded a sharp decline in growth in 2022. From 8.1% real GDP growth rate in 2021, annualised growth fell to 3.2% in 2022. The Chinese economy faced a strong backlash from its zero-COVID-19 policy, which maintained tight controls to prevent the spread of the coronavirus. China also faced upheavals in its real estate and debt market. The housing sector was the major drag to the Chinese economy. According to JP Morgan, in 2022, new home sales in China fell 26.8%, new home starts fell 39.8%, and real estate investment fell 10%. China also faced structural issues, including a shrinking labour force.

In 2022, India remained the world's second-largest population and was on track to overtake China in 2023. As the world's fifth-largest economy by GDP in 2022 with a total output estimated at US\$3.385 trillion, India's real GDP growth rate of 6.8% lifted the developing and emerging Asia economic bloc, according to the IMF.

## Nigeria

In GDP growth terms, Nigeria marginally outperformed South Africa – its major rival in Sub-Saharan Africa. Nigeria posted a GDP growth rate of 3.0% after adjustment for inflation, compared to South Africa's 2.6%. Nevertheless, the Nigerian economy continued to face multiple crises, including rising inflation, high interest rate, rising poverty and unemployment rates. The country also grappled with a lack of liquidity in the foreign exchange market, which continued to exert downward pressure on the Naira.

In spite of the economic challenges, the Nigerian equity market was one of the best performers in the world in 2022. The main index of the nation's stock exchange, NGX All Share Index, grew by 19.98%.

## Market Outlook for 2023

The major macroeconomic risks that roiled the global economy and markets in 2022 are expected to persist in 2023, at least in the first half of the year. At the end of 2022, the war between Russia and Ukraine showed no sign of an imminent end. Therefore, the war is expected to continue to exert upward pressure on inflation – driven by energy and food prices. Russia is expected to support supply containment for crude oil under the aegis of OPEC Plus to drive up the prices of the commodity.

However, it is likely that the peak of global inflation was seen in 2022. While the major central banks are expected to maintain a tight monetary policy stance, interest rate rises may begin to slow and eventually stabilise towards the end of the year.

In the World Economic Outlook of October 2022, the IMF projects that the world's output growth will fall to 2.7% as a result of the underwhelming GDP growth rates of the

advanced economies. While China is expected to record a marginal growth compared to 2022, India's GDP growth rate is expected to decline. This will contribute to keep growth flat in emerging markets and developing economies.

In Sub-Saharan Africa, a minor increase in the average GDP growth rate is foreseen; however, this will be counteracted by a slight decline in Nigeria and a significant decrease in output growth in South Africa.

Nigeria is poised for substantial economic reform due to the considerable burden of high debt service costs in comparison to government revenue. Additionally, the government has

provisionally allocated funds for petrol subsidy payments until June 2023. Notably, key contenders in the upcoming 2023 presidential election have committed to discontinue the energy subsidy program.

The anticipated successful election and smooth transition to a new administration in 2023 are likely to reduce political risks. The introduction of market reforms amidst high crude oil prices could lead to increased dollar liquidity.

However, the downside risks to the Nigerian outlook include insecurity, continued Naira scarcity, and the near-term impact of market reforms.

## The Future Generations Fund (FGF)

	Policy Target	Benchmark
Growth Assets	85%	MSCI All Country World Index
Developed Equities	20%	MSCI World Index
Emerging & Frontier Equities	10%	MSCI Emerging Markets Index
Private Equity, VC and value-added Real Estate	25%	Cambridge Associates US Private Equity Index
Absolute Return	20%	HFR Event-Driven (Total) Index
Other Diversifiers	10%	Cambridge Associates US Private Equity Index
Hedging Assets: Inflation	5%	Weighted Composite
Hard Assets	5%	50% FTSE® EPRA/NAREIT Developed Real Estate Index/ 50% CA Private Natural Resources Benchmark
Hedging Assets: Deflation	10%	Citigroup World Government (Hedged) – US\$ Bond Index
Cash	10%	US T-Bills

Table 2: Target Asset Allocation for the Future Generations Fund

The FGF is one of the three ring-fenced core funds managed by the NSIA. At inception in 2012, the FGF had 40% allocation of the Authority's core capital contribution. In 2018, following a Board decision to restructure the Authority's core funds, the capital contribution was set at 30%.

In 2022, the FGF was down 3.87%. This was also below the targeted return for the fund, but it outperformed its peers by at least 10% on average. However, it was a decent performance, in relative terms as global markets were heavily in the red.

The FGF is deployed for long-term investments of over twenty years horizon and is therefore expected to weather multiple economic and market cycles. Diversification is used as a key risk management tool to achieve the investment objectives, and to mitigate the effects of asset and price volatility.

The fund is invested in several asset classes ranging from traditional assets, such as equities, to alternative assets, like hedge funds and private equity. The Board Investment Committee approved a strategy to provide guidelines for the fund's investments, in line with its risk and return objectives.

The table shows the strategic asset allocation for the FGF in

the year under review..

The FGF's investment strategy is reviewed and updated regularly to address changes in economic and market factors as well as return expectations. This strategy allows the fund to gain exposure to certain illiquid asset classes, thereby reducing the impact of short-term volatility and achieving stronger, risk-adjusted returns.

Asset allocation is based on long-term risk and return objectives. Due to the fund's long term horizon, asset allocation is skewed to growth assets, which accounts for 85% of the allocation. The rest is apportioned to inflation hedge (5%), deflation hedge (10%).

### Growth Drivers Long Only Equity

The Long Only equity portion of the asset allocation is 30%. It is invested in a combination of developed market and emerging/frontier market assets. The developed market allocation was 14.52% and returned -19.70% in US dollar in 2022, lagging the MSCI World index, which returned 18.14%.

All eight managers in this space have a mix of growth, value, activist biases, regional and style diversification, as well as a focus on US, European and Japanese equity markets. All had negative returns. In the year under review, Goldman Sachs Japan Equity Partners Fund was approved to provide additional regional exposure, as the Authority continued to maintain the passive exposure to equity markets.

In line with Global Equity Markets, Emerging Market (EM) equities showed negative returns in 2022. This was further exacerbated by the lockdown in China, which extended for most of 2022 but gave the markets a boost in Q4 2022 when it was lifted.

EM allocation constituted 6.57% of the portfolio. The five managers in this component, on aggregate, had a negative return of -18.50% for the year, slightly outperforming the MSCI benchmark which returned -20.09%. In the year under review, one of the managers informed the Authority of its decision to close the investment business, which impacted two funds in the manager lineup.

### Absolute Return

As of December 2022, the Absolute Return Component constituted 18.16% of the FGF. This allocation returned -3.05% versus -4.65% by the HFRI Event-Driven Total Return Index. The managers in this asset class deploy strategies that aimed to earn a positive return irrespective of market direction. Each manager has the discretion to invest across different strategies and geographies with the expectation of ensuring growth despite times of stress in the equity markets. John Street Systematic Fund was the best performer in 2022 returning 21.92%.



### Private Equity

The Private Equity component made up 28.12% of the FGF in 2022. This component is well diversified, with a good mix of best-in-class private equity managers from Europe, US, and Emerging Markets.

In 2022, we invested in Uhuru Growth Fund I. The Authority made some commitments to the Venture Capital firms, including Vektor Partners Fund I, Alpha Partners Fund III LP, Blume Ventures Trust IV, Lennertz & Co. Blockchain Fund II, and Stepstone VC Opportunities VII.

### Other Diversifiers

This component of the FGF has a target allocation of 10%. At the end of 2022, the other diversifier components made up 7.68% of the FGF. The purpose of this component is to seek managers who provide exposure to products such as direct lending, leasing, and royalties with the aim of generating returns uncorrelated to the rest of the portfolio. No new investment was added in 2022.

### Inflation Hedges

#### Hard Assets

The FGF's Hard Assets component has a target allocation of 5%. The Authority did not add any new managers in the Hard Assets component during 2022.

#### Deflation Hedge

The Deflation Hedge allocation represented 15% of the FGF. For most of 2022, this allocation was held in cash and very liquid instruments with both local and foreign counterparties.

### Year in Review

2022 was a difficult year for financial markets. The gains made in 2021 as the world's economies re-opened after the lockdown were reversed. New challenges emerged, including the Russia-Ukraine war, both of which impacted the prices of energy and food.

The FGF outperformed major indexes as well as public investment funds that have similar strategies as NSIA. Despite the uncertain outlook for 2023, NSIA believes that the FGF will continue to deliver superior returns, based on its proven investment strategy.

## The Stabilisation Fund (SF)

	Policy Target	Benchmark
Growth Assets	75%	Barclays 1-3 Year Corporate Bond
Investment Grade Corporate Bonds		Barclays 1-3 Year Corporate Bond
Hedge Assets	25%	Barclays 1-3 Year Treasury Bond
US T-Bills		91-Day Treasury Bill Index
US Treasuries 1-3 years		Barclays 1-3 Year Treasury Bond

Table 2: Target Asset Allocation for the Stabilisation Fund

The SF is one of NSIA's three ring-fenced funds. It has been allocated 20% of the Authority's pool of core capital contributions since inception. The SF is designed to provide financial support to the Federation during times of economic stress. Therefore, the fund has a conservative investment approach aimed at striking a balance between generating positive returns and preserving capital.

The SF invests only in fixed-income securities of investment grade sovereigns and corporations. Its goal is to ensure liquidity and capital preservation. The investment durations vary from under a year to three years.

In 2022, the SF returned 4.08% (in USD), significantly higher than the 1.60% investment return in 2021. The yield was also noteworthy considering the backdrop of rising interest rates throughout the year, which caused a significant deterioration in the valuations of assets. As a comparison, Bloomberg-Barclays Global Aggregate Index, one of the indices tracked by the SF, was down by 16% in 2022.

The SF maintained its investment strategy throughout 2022, focusing on high-quality fixed-income financial instruments. A key part of this strategy was to limit the effects of market disruptions caused by increasing interest rates and other risks.

As of December 2022, the SF was held in the following asset classes in line with the Fund's mandate and investment strategy:

### Hedge Assets

**US Treasury Bills and US Treasury Bonds:** This asset class made up 21.06% of the fund and provided exposure to the very liquid and highly rated US Treasury instruments in 2022, tracking the Bloomberg Barclays US Treasury bond 1-3-year index. The underlying investment has a maturity range of one to three years. This component returned -0.64%.

### Growth Assets

**US Corporate Bonds, US Asset-Backed Securities, and Structured Collateralised Deposits:** The four fund managers for SF as of December 2022 are UBS Asset Management, Loop Capital Asset Management, Lombard Odier, and Ninety One Global Strategy Fund. There were five managers at the

beginning of 2022, providing exposure to investment-grade corporate credit and treasuries across the yield curve. Income Research + Management (IR+M) was redeemed before the end of the year.

Loop Capital has a short duration strategy that invests across very high-quality US corporate and securitised fixed-income instruments, while Lombard invests in short to medium-term investment-grade US corporate bonds. The fund's exposure to structured collateralised deposits with credible counterparties is specifically to enhance yield and provide a degree of downside protection to fulfil the goals liquidity as well as capital preservation. During the year, we revamped the UBS Treasuries Portfolio by changing the structure of the fund.

### Year in Review

The SF's 4.08% return in 2022 was positive but fell short of its target US CPI 6.42%. This was due to the significant global market volatility and increased interest rates which led to a sell off of fixed income securities.

The major risks during the year were interest rate and inflation risks. As Interest rates rose to curb surging inflation, the default risk of investment-grade securities increased. With rising interest rates, the value of fixed-income securities typically declines and the companies face potential downgrades on their credit ratings leading to further loss of bond value.

Our stress test on the Stabilisation Fund's investment assets showed that the risk to portfolio return was minimal. In addition, the diversified nature of our portfolios ensured that our investments in some high-yield fixed income instruments with limited exposure to interest rate risk, reduced the impact of the risk on the SF's portfolios in general.

### 2023 Outlook

NSIA looks forward to 2023 with cautious optimism. This is due to the concern that the US economy may fall into recession as interest rate hikes continue. It is anticipated that volatilities would remain in financial markets in the first half of the year.

Nevertheless, we expect inflation to drop in the second half of the year, leading to a tapering of interest rate hikes. The impact of China's reopening, after ending its zero COVID-19 policy is expected to be positive for global supply chains and global growth. In general, NSIA expects markets will perform better in the second half of 2023.

The Authority's investment team will continue to monitor the performance of the Stabilisation Fund in line with its mandate and strategy. The goal is to continually seek avenues to optimise returns, while adhering to the fund's mandates of preserving capital and maintaining liquidity.

# The Nigeria Infrastructure Fund (NIF)

## Overview

The Nigeria Infrastructure Fund (NIF) is one of the three ring-fenced funds managed by NSIA. The fund is primarily focused on investments in critical domestic infrastructure with the overall objective of catalysing positive socio-economic advancement and deepening the country's infrastructure stock.

Infrastructure is critical to stimulating economic growth and development as it supports human capital development, improves quality of life, and fosters innovation. Nigeria has a huge infrastructure gap, closing it requires more capital outlay than the public sector alone can provide. As a result, the NIF enables economic growth by increasing the commercial viability of infrastructure projects within key sectors of the economy. It also attracts domestic and foreign direct investments into the country.

To underscore the importance of infrastructure developments in Nigeria, and following a Board directive in 2017, the capital allocation to the NIF was increased from 40% to 50%. This accelerated the fund's ability to undertake critical large-scale infrastructure projects in Nigeria.

The fund recorded a healthy year, delivering on its financial and non-financial objectives. It grew by 7.5% in 2022, outperforming its benchmark and undertaking a number of milestone projects during the year under consideration. Despite the economic downturn, the NIF made significant progress with current projects, and originated new infrastructure projects.

In 2022, NIF was primarily focused on developing projects and making investments in agriculture, healthcare, power, technology, gas industrialisation, motorways as well as financial market infrastructure. The following are the highlights of our activities in the various sectors during the 2022 financial year.

## Agriculture

Given the potential impact of agriculture to drive economic growth, create employment, and support the national aspiration of food security, NSIA has continued to deepen its investment in this sector to achieve both financial and social impact. Under this portfolio are the Presidential Fertiliser



Pandagric Novum Farm.

Initiative (PFI), UFF-NAIC Agriculture Fund, Pandagric Novum Limited, Agri Plus Grain Production Company, Fund for Agricultural Finance in Nigeria (FAFIN), and Babban Gona.

**Presidential Fertiliser Initiative (PFI):** This programme was approved by President Muhammadu Buhari in December 2016 and NSIA commenced implementation in 2017 through its wholly owned subsidiary NAIC - NPK Limited (designated the exclusive importer of raw materials for fertiliser production.) It revived the local production of fertilisers and allowed the private sector to lead distribution across the country.

Prior to 2017, Nigeria was an importer of blended NPK (Nitrogen, Phosphorus, and Potassium) fertilisers due to inadequate capacity to undertake local blending activities, despite the country's abundant deposits of urea and limestone granules, which constitute roughly two-thirds of the components of NPK fertiliser.

In 2022, 20 new blending plants joined the programme, increasing the number of blenders from 51 in 2021 to 71, and resulting in the production of over 14.5 million bags of fertiliser. This improved food security through an increase in



Improving food security through sustainable agricultural practises.



domestic food production as farmers got access to affordable, high-quality fertilisers. Within the year, the programme supported the government to incur zero-fertiliser subsidy.

Furthermore, by retaining its role as the exclusive importer of raw materials for fertiliser, the strain on the country's foreign exchange reserves was significantly reduced.

The outlook for this programme remains promising as NSIA aims to further consolidate the gains of the PFI to drive the desired outcomes in 2023. For instance, the Authority aims to achieve the production of 18 million bags of fertilisers in 2023. This will further ensure the abundance of quality fertilisers in the market and optimise agricultural output.

**UFF-NAIC Agriculture Fund:** This is a joint venture (JV) between NSIA and UFF-Agri investments, a leading specialist in agriculture investments in Africa backed by Old Mutual Investment Group. NSIA and UFF Agri-Fund signed the JV for a \$200 million agriculture investment vehicle in 2016, to focus on the development of large-scale, fully integrated agriculture projects that enhance job creation, and food security for Nigeria.

Pandagric Novum Ltd. is the first demonstration project under this fund. The project sits on 3500 hectares of land and includes a 147,000 tonnes poultry feed mill, a 75,000-tonnes grain storage facility – comprising silos, bunkers and a 3300-hectares farm with a 1.4 million cubic metre reservoir and an irrigation scheme spanning 750 hectares of the land for cultivation.

The project was commissioned by Vice President Prof. Yemi Osinbajo, SAN, on 30 September 2022, and is now fully operational. The project aims to significantly increase the output and quality of poultry feeds, boost poultry production and increase protein consumption in the country.

The Pandagric Novum Ltd. employs nearly 600 direct staff and provides indirect employment to over 2,000 people. It is currently the single largest contributor to personal income tax to the Nasarawa State Government. The project also embeds gender equality hiring women across all levels of the company.

**Agri Plus Fund:** The Agri Plus Fund is an agriculture-focused Naira fund established in 2022 and seeded with ₦10 billion by NSIA. The Fund will focus on deploying local currency capital to develop large-scale agriculture projects that will generate foreign currency revenue for its investors.

The maiden project of the Agri Plus Fund is the Gurara Irrigation Project, focused on the cultivation of multiple grains. The project, located in Jere Local Government Area of Kano State is being developed in collaboration with the Ministry of Agriculture.

**Babban Gona:** This is a high-impact, scalable agricultural franchise that provides credit, training, and other services to small holder farmers. Meaning "Great Farm" in Hausa and developed by Doreo Partners, Babban Gona is one of Nigeria's single largest maize producers.

NSIA signed an agreement in 2018 to invest US\$5 million in the company. By leveraging this investment, Babban Gona supported 95,500 farmers as of 31 December 2022, up from 16,083 farmers in 2018. The company has operations in 88 Local Government Areas across eleven States and the Federal Capital Territory, Abuja.

Babban Gona has over 164,000 acres of land under cultivation and provides storage for over 100,000 MT of grains to reduce post-harvest losses. Babban Gona provided over 290,500 jobs for its beneficiaries during the year, out of which 76% were youths and 56% were women.

## Healthcare

The existing projects under NSIA Health Development and Investment Company (NHDIC), are NSIA-LUTH Cancer Centre (NLCC), NSIA-Kano Diagnostic Centre (NKDC), and NSIA-Umuahia Diagnostic Centre (NUDC). NHDIC - the Authority's wholly-owned subsidiary - operates these centers, and provides oncology and diagnostic services.

These projects achieved impressive financial and non-financial growth in the year under review. Revenue from the healthcare facilities grew by 58.8% year-on-year (YoY) to ₦3.19 billion in 2022.

With a staff strength of over 250 direct and indirect individuals, the NLCC has attended to about 6,700 unique patients and within 2022 recorded 300,000 patient interactions. To enhance its capacity to deliver qualitative oncology care, the NLCC expanded from a seven to ten clinic room facility. The NLCC has the highest concentration of consultant oncologists in West Africa.

The NKDC attended to over 46,000 unique patients in 2022. The centre conducted an average of 25 magnetic resonance imaging (MRI) scans daily during the year, making it the busiest MRI centre in the country.

The NUDC carried out about 400,000 unique tests for patients in Umuahia, Abia State, in spite of the compulsory sit-at-home curfew imposed on Mondays. The NUDC operated a 24/7 service, growing patient numbers at an average rate of 50% year-on-year.



MD & CEO NSIA, Mr. Aminu Umar-Sadiq with the Healthcare team.

Given the commitment to scale impact in the healthcare sector, the Authority began to operationalise the first phase of the Healthcare Expansion Programme in 2022. In September, the Authority signed an agreement with three state governments and seven tertiary institutions.

The Healthcare Expansion Programme is designed to create three additional oncology centres, 23 modern medical diagnostic centres, and seven catheterisation laboratories across the six geo-political zones of Nigeria. The Authority is looking to partner with more state governments and tertiary hospitals in 2023.

Other key developments in 2022 include signing an agreement with Varian Medical Systems, an American-based manufacturer of medical devices and software for cancer treatment. The aim of the partnership is to co-develop and deploy oncology as a service (OaaS) in Nigeria over the next five years. NSIA signed a similar agreement with BIO Ventures for Global Health (BVGH) - an organisation that promotes oncology access to patients through its African Access Initiative (AAI).

Following a feasibility study on medical manufacturing conducted by Ernst & Young on its behalf, NSIA aims to make a foray into medical manufacturing, particularly pharmaceuticals.

### Gas

NSIA-OCP Multipurpose Industrial Platform (MIPL) is currently being developed as a backward integration project for fertiliser production in Nigeria. It is one of the initiatives under

the bilateral co-operation between the Federal Republic of Nigeria, represented by NSIA, and the Kingdom of Morocco, represented by the OCP Group. The MIPL project is expected to produce 750,000 tonnes of ammonia and one million tonnes of DAP /NPK annually.

In 2022, negotiations regarding the project site were concluded, following which site specific technical, environmental and social impact assessment commenced.

Furthermore, we advanced the bid process for hiring an Engineering Procurement and Construction (EPC) contractor for the project, with three international contractors participating in the bid. The agreements are expected to be signed in 2023.

The US\$1.4 billion MIPL project is expected to create about 20,000 direct and indirect jobs during the construction and operation phases of the plant. The project will also stimulate growth in the gas sector, increase the utilisation of gas assets, and drive Nigeria's overall Energy Transition Plan (ETP).

### Power

Nigeria has taken steps to accelerate its Energy Transition Plan (ETP) with the overall goal of achieving net-zero by 2060. Launched in 2022 by the Federal Government of Nigeria (FGN), ETP aims to reduce carbon emission in the energy, transport and industrial sectors. The plan will also tackle the acute energy shortfall in Nigeria by expanding access to clean energy through strategic investments in the sector.



Laboratory, NSIA-Kano Diagnostic Centre (NKDC).



Healthcare Agreement Signing Ceremony between NSIA and relevant stakeholders.

To demonstrate our commitment to the success of Nigeria's Energy Transition Plan, the Authority made considerable progress in the power sector. One of the projects progressed in 2022 was the development of the NSIA Renewable Investment Platform for Limitless Energy (RIPE), which will be formally launched in 2023.

In December 2022, on behalf of the FGN, NSIA completed the construction of the 10 megawatts Kano Solar Project in the Challawa Industrial Area of Kumbotso Local Government Area (LGA), Kano State. The solar farm - the largest in Nigeria - sits on a 24-hectare parcel of land donated by the Kano State Government (KSG). The project ownership is between the FGN through the Federal Ministry of Finance, Budget and National Planning (with 80% stake), the KSG (15%), and Kumbotso Local Government (LG) (5%), with NSIA as the project and fund manager.

The construction of a 12-kilometre interconnection infrastructure for the evacuation of power from the solar plant to the Kano Electricity Distribution Company's substation was also completed in 2022. The project aims to supply electricity to the Kano industrial cluster.

Approximately 250 direct and 3,000 indirect jobs were created during the plant's construction. As part of the Authority's Corporate Social Responsibility for the project, some classrooms and buildings in the nearby schools were renovated. NSIA also constructed a 2-Kilometre access road within the community and also built solar-powered boreholes. These are in addition to the project's anticipated positive environmental and social impact when it becomes energised.

Additionally, NSIA and the International Finance Corporation (IFC) have jointly completed the pre-feasibility study for a distribution franchise project in Tokarawa, Kano State. This is intended to be a pilot in a long line of embedded and distribution sub-franchise projects across the country.

## Mining

The Presidential Artisanal Gold Mining development Initiative (PAGMI) was initiated by the Presidency to support the development of the gold mining sector, particularly the informal gold mining sector dominated by Artisanal and Small scale Miners (ASM). The project also seeks to enhance the mining efficiency of the artisans, promote best practises, and properly aggregate the metal for export.

In 2022, NSIA signed a Memorandum of Understanding (MoU) with the Solid Minerals Development Fund (SMDF), a state-owned fund established to catalyse private sector-led investments in the Nigerian mining sector. The agreement aims to set up a ₦10 billion facility to purchase gold from dealers and artisanal miners under the National Gold Purchase Programme. This will further scale the achievements of PAGMI's objectives.

## Climate/Environmental Social and Governance (ESG)

NSIA recognises the importance of aligning its operations to global best practises. To demonstrate ongoing support for positive climate actions, the Authority began implementation of Environmental, Social and Governance (ESG) principles. This strategic decision showcases the Authority's commitment to commercial viability alongside superior social and environmental outcomes.

The Authority is not only focused on creating an ESG asset class for green, social and sustainability-linked investments, but also aims to incorporate ESG principles into its core funds - SF, FGF, and NIF. This will enhance the resilience of the funds and expand positive economic, environmental and social value.

Furthermore, the Authority will collaborate closely with the subsidiaries to ensure they adopt ESG practises and report their impact with the relevant reporting standards. This holistic approach will enable the Authority maximise positive impact across the entire organisation and create a more sustainable future. The Authority is in discussions with global energy trading company Vitol SA, to establish a Joint



Venture focused on developing projects that reduce and avoid carbon emissions.

### Technology

The Authority is devoted to empowering young Nigerians with innovative ideas that address real life challenges. The Authority aims to foster the growth of the digital economy and optimise opportunities within the Nigerian technology ecosystem.

The core projects within the technology portfolio are NSIA Prize for Innovation (NPI) and Kasi Cloud Limited.

**NSIA Prize for Innovation (NPI):** The primary objective of the NPI is to identify, build, and finance early-stage innovative solutions that have the potential to catalyse economic growth, enhance the nation's productive capacity, and create jobs.

The project, which kicked off in 2022 with a total prize value of US\$255,000, is a three-stage competition process. The three

winners who emerge will be awarded a combination of cash prizes and equity investments based on the potential of their underlying businesses.

**Project Kasi:** In 2022, the Authority made an US\$8 million investment in Kasi Cloud, a hyper-scale data center in Lagos, Nigeria. The funding will enable the development of a 2.4 megawatts data center with the potential to expand capacity to 57.6 megawatts over a five-year period.

Kasi Cloud Limited is expected to provide organisations with increased data storage access in Nigeria, and reduce outflow of foreign exchange for this service by international firms. Large tech firms are expected to leverage Kasi Cloud's capacity to store parts of their data in Nigeria.

Since the development phase in 2022, Project Kasi has created over 100 direct and indirect jobs and supported the training of 250 system engineers.

## Third-Party Managed Funds

NSIA has been undertaking investment, fund and project management services on behalf of the Federal Government of Nigeria (FGN) and some of its agencies since the inception of our operations. Our investment fiduciary activities, which are in addition to our three mandate funds, enable NSIA to grow assets under management (AUM).

Our third-party managed funds are invested using the same strategies as those utilised for the NSIA's core funds. Their objectives typically align with our funds, thereby enabling us to scale impact to stimulate economic growth, build high quality infrastructure for current and future generations, and contribute to positive social outcomes in the country.

The Authority generates modest income from offering this fiduciary service and ensures that the performance metrics set by the fund owners are met. In 2022, the third-party funds under management by NSIA were the Presidential Infrastructure Development Fund (PIDF), Debt Management Office (DMO) Fund, and FGN Stabilisation Fund.

### Presidential Infrastructure Development Fund (PIDF)

The PIDF was established in 2018 to accelerate the execution of certain critical, strategic infrastructure projects that are essential to the rapid growth and modernisation of Nigeria's economy. NSIA was appointed Fund and Project Manager of PIDF. The ongoing PIDF projects include: Abuja-Kano Road (AKR), Second Niger Bridge (2NB), and Lagos-Ibadan Expressway (LIE).

The PIDF has disbursed over ₦730bn as payments in advance and for work done. Despite the disruptions and delays caused by the COVID-19 pandemic, the Authority made substantial progress with the three ongoing infrastructure projects in 2022.

By December 2022, the AKR under construction by Julius Berger Nigeria PLC (JBN), was at 43% completion, despite revision to the scope of work. The 2NB project achieved 96% completion as the Presidency, acting on NSIA's recommendation approved the construction of a link road of approximately 2.4 kilometres from the Asaba end of Approach 2A. Construction of the link road will lead to the early commissioning and operationalisation of the bridge.

The Lagos-Ibadan Expressway (LIE) is divided into two sections and under construction by Reynolds Construction Company Ltd (RCC) and JBN. By December 2022, Sections 1 and 2 were at 91% and 83% completion, respectively.

In addition, PIDF engaged a consultant in 2022 to undertake due diligence, feasibility studies and subsequently recommend options to finance and develop a commercially viable trailer park at Ogere, along the LIE.

It is estimated that the main carriageway of both the 2NB and the LIE will be completed and commissioned in 2023. NSIA is focused on completing all projects under the PIDF and undertaking value engineering on the ongoing projects to optimise cash flow and cost.

### Debt Management Office (DMO) Fund

NSIA has continued to manage the DMO's fund, which was assigned to the Authority in 2013 and earmarked for investment in gas-to-power and other power-related projects. The fund, originally US\$200 million, was part of the proceeds of the US\$1 billion Eurobond issued through the DMO by the FGN in July 2013.

Between 2014 and 2017, NSIA returned a total of US\$100 million of the fund to DMO for investment in various projects. The Authority has continued to act as an investment manager for the balance, aligning the fund strategy with the Authority's Nigeria Infrastructure Fund (NIF).

The value of the net assets of the DMO Fund managed by NSIA stood at US\$158.56 million as of December 2022, compared to US\$147.26 million in 2021. The Authority is expected to retire a part of this balance to the DMO in 2023 towards the maturity of the Eurobond.

### FGN Stabilisation Fund

The Authority commenced fiduciary services for this fund in 2015, with an initial funding of ₦409.4 million from the Government. The Fund is invested in line with the investment strategy of our Stabilisation Fund (SF) with the goal of ensuring liquidity and capital preservation.

By December 2022, a total of ₦49.16 billion has since been received into the Fund from the Federal Government Stabilisation Account through the Office of the Accountant General of the Federation (OAGF).

### Nigeria Electricity Supply Industry (NESI) Stabilisation Fund

The fund was established following an investment management agreement between NESI Stabilisation Strategy Ltd and NSIA in May 2020 after which a total sum of ₦100billion was provided by NESI to be invested in return-generating projects and instruments for the purpose of growing the Nigerian economy. Assets under management as of December 2022 was ₦107billion.

# Our Culture, People and Diversity & Technology

## Our Culture

As the principal investment institution of the Federal Republic of Nigeria, NSIA embodies a culture of excellent performance. Guided by our core values of discipline, integrity, and transparency, the Authority continuously aims for the highest operational standards to maximise impact. Consequently, the Authority has ranked amongst the leading sovereign wealth funds in Africa since 2015.

The Authority's *raison d'être* is expressed through its three core funds, namely, the Stabilisation Fund (SF), the Future Generations Fund (FGF), and the Nigeria Infrastructure Fund (NIF). The objectives of the funds are to (i) provide stabilisation support for the Federal Government in times of economic stress, (ii) build a savings base for current and future generations of Nigerians, and (iii) enhance the development of Nigerian infrastructure respectively.

Every employee understands the Authority's mandate and organisational standards as well as the significance of their respective roles in achieving overall objectives. Institutional policies and practices are well documented to avoid ambiguity. At NSIA, everyone is encouraged to participate in healthy competition in the workplace, and the value each person brings is recognised and rewarded.

Performance incentives are employed to help reinforce the Authority's culture, stimulate performance, promote efficiency and ensure that employees remain focused on achieving set objectives.

## Knowledge Management At NSIA

NSIA places a premium on employee development, creativity and innovation. Recognising that we live in a dynamic world, the Authority continues to expand knowledge base and skill set at the individual and institutional levels. The Authority encourages employees to ideate and provides an enabling environment for cross-functional collaboration, to deepen the knowledge base across all cadres.

Employees are assigned responsibilities, allowed to take risks, encouraged to adopt a hands-on approach to project implementation. Additionally, they are mentored to adopt learnings and develop appropriate risk management capabilities through project life cycles. Debriefing after projects and events has been standardised as a regular feature of our service delivery.

The Authority recognises that employees are its greatest asset and strongly emphasises continuous engagement to align staff expectations to Institutional objectives. In 2022, the training needs of our employees were met across cadres as we prioritised the personal and professional development of our staff.

At NSIA, employee feedback is critical to how we design and implement policies. In 2020, we adopted the concept of co-creation by involving employees in the policy design and revision processes. Employees buy-in and actively contribute throughout conceptualisation, pre-approval and post-approval stages. This method bolsters ownership and makes execution almost seamless.



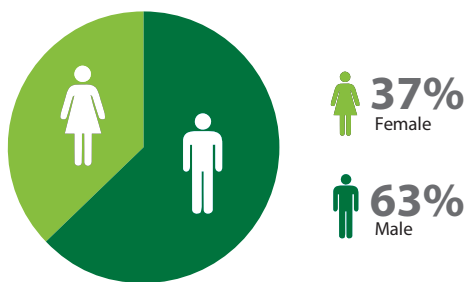
Some members of staff at the year end gathering.



NSIA women commemorate International Women's Day 2022.

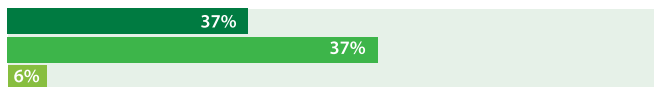


## Gender



## Age Group

● Generation X (44 - 58 years) ● Millennials (28 - 43 years) ● Generation Z (27 years and below)



## Other Key Events

In spite of the leadership transition within the year under review, the Human Resource function continued all employee engagement programmes including breakfast seminars, leadership series, female network events, lunch-and-learn sessions among others. We joined the United Nations and other organisations to observe the International Women's and Men's Day, celebrating the achievements and contributions of men and women in our society.

NSIA closed the year with a staff strength of 54, recording a 7% attrition rate which is within the 10% annual attrition rate benchmark. Most of the staff resigned and relocated for further studies. The overall performance of the Authority was not hampered by the exits as it recorded ten unbroken years of continuous positive earnings.

## 2023 Outlook For HRM

Looking ahead to 2023 and beyond, NSIA aims to continually deliver a strong performance that exceeds stakeholder expectations. NSIA's mandate of catalysing positive socio-economic outcomes for Nigeria is a meaningful and unifying higher purpose for the employees and the institution.

A key priority in 2023 is the implementation of the ESG policy and use of relevant globally accepted metrics to track, measure and enhance the ESG journey.

Another area of focus during the year will be the revision of the Authority's strategic five-year rolling plan previously developed for 2019 to 2023. In the medium-term framework, the Authority will define new markets to play in and further deepen innovation, efficiency and productivity as key components of Institutional culture.

Finally, our aspirations for 2023 include an enhanced service delivery culture. This will entail improving our knowledge management system, focusing some of our training programmes on the tenets of customer satisfaction to improve efficiency, collaboration, and productivity in all our operations. In this regard, we intend to explore quality management certifications in the next few years as not only guidelines for continuous performance improvements, but

also to boost employee morale.

## Information Technology

Information technology (IT) has always been an enabler of outcomes at NSIA. Besides helping to increase overall output and enhance operational efficiency, IT is undoubtedly pivotal to propel innovation, create value and achieve the Authority's strategic objectives.

IT at NSIA not only enables employees to carry out their official tasks more effectively but also helps the Authority reduce operating costs. For example, teams can streamline operations, work remotely, facilitate collaboration and communication across geographical locations through video conferencing and several shared project management platforms.

The adoption of technology to drive performance and efficiency comes with a risk. Studies have shown that companies and governments face an array of threats, including sophisticated advanced persistent threats (APTs), which involves sustained malicious cyber activity by a threat actor. Recognising this, cyber security is a key part of the risk management function at NSIA. The Authority ensures adequate security of the IT infrastructure and its competent IT team – which has the full support of the Board and Management – has the responsibility and commitment to ensure that the necessary tools and capabilities for addressing evolving threats are applied. The Authority maintains an effective Backup and Disaster Recovery (BDR) system to ensure downtimes are minimal and the impact of potential disruptions are reduced.

NSIA has developed optimal capacity to navigate ongoing workplace evolutions and disruptions following the COVID-19 pandemic. The Authority continues to leverage IT to sustain growth, deepen accountability, drive positive social outcomes and reduce carbon footprints.

## Digitisation and Enterprise Resource Planning

NSIA acknowledges that digitisation is central to enhanced productivity, hence the strategic focus on streamlining operations via automation.

As the new Executive Management of NSIA, led by Managing Director and Chief Executive Officer, Mr. Aminu Umar-Sadiq, as well as the Executive Directors – Mr. Kola Owodunni and Mrs. Olubisi Makoju – began their tenure in October 2022, a deliberate effort was made to adopt a holistic approach to digitisation. The effort involved identifying the Authority's digitisation requirements and developing a plan of action for meeting them. Prior to this period, NSIA's digitisation programmes, including its robust IT infrastructure and processes were independent of each other.

NSIA started the implementation of an Enterprise Resource Planning (ERP) solution in 2019, and by 2022, the solution was fully functional and deployed across the organisation.

Following the need to optimise the ERP solution and changes in global standard operating procedures for the ERP, new modules in HR and Financial accounting were added.

### Key IT Roles and Milestones

With ERP and the adoption of other applications and tools, productivity and efficiency across the entire organisation has significantly improved. Advanced data analytic tools enable the Authority to boost decision-making and improve risk management across our core funds and diverse investment portfolios.

In recognition of the critical role of Information Technology, the Authority has continued to advance risk governance that could potentially hinder operations. In the face of new and evolving cybersecurity threats faced by Institutions across sectors, NSIA has bolstered its cyber defence to promptly identify, contain and eradicate threats.

Despite email phishing threats, which grew in 2022, the Authority's cyber assets, stored in the cloud, remained secure.

During the year, NSIA strengthened its disaster recovery

responses, upgraded the disaster recovery site, and conducted several IT audits.

IT is also a tool that the Authority leverages to deliver superior value. Apart from IT infrastructure, NSIA has a vast and growing network of physical infrastructure it builds and manages. These assets require a considerably high level of IT-based administration to ensure their optimal utilisation.

### Commitment to Further IT Advancement

In 2023, NSIA will focus on progressing the digital transformation journey to deepen positive impact.

The Authority's digitisation efforts will leverage Artificial Intelligence (AI), data analytics, process automation and the continued optimisation of the ERP solution.

NSIA expects that an integrated digitisation approach will further enhance efficiency and productivity.

## Sustainability & ESG

Nigeria and other countries in Africa continue to face disproportionate impact and risks of climate change, which has increasingly caused severe and unpredictable weather patterns and events. The impacts include rainfall variability, catastrophic floods, rising sea levels, and some of the worst drought conditions in the history of mankind. The associated risks on health and safety, agriculture, and food security among other effects are enormous.

Confronting climate change to avoid the worst effects of this global emergency requires developing and implementing effective solutions to reduce Greenhouse Gas (GHG) emissions by 45% in 2030 and advance net-zero by 2050. According to the Paris Agreement, the emission reduction targets are required to limit average global temperature increase to 1.5 degrees celsius above pre-industrial levels by mid century.

To achieve positive long term socio-economic and environmental goals, organisations and countries can actively participate in climate action by upholding environmental stewardship in their activities. This can be done by aligning practices with sustainability principles. By doing so, they can meaningfully drive progress. The attainment of these objectives will require collaboration among multiple parties, structural reforms and large scale financing.

The Authority is strongly committed to the call for urgent action to combat climate change and its impacts. The Authority also actively advocates for and works to achieve a sustainable future for all Nigerians.

As an institution that invests in infrastructure projects to stimulate economic growth, provide support to the government in times of fiscal shocks, and safeguards economic resources for the next generation of Nigerians, sustainability has always been integral to NSIA. Since the commencement of our operations in 2012, our investment

considerations have always gone beyond the commercial performance to the strategic social impact of such decisions. These decisions range from selecting fund managers for SF and FGF, to specific focus sectors and partners to jointly develop projects with under the NIF.

Deriving from the need to support the Nigerian Government's efforts to advance the net-zero emissions target by 2050 and the urgent need to enable actualisation of the UN Sustainable Development Goals (SDGs), NSIA, building on previous development efforts, decided to formalise sustainability.

### Our Sustainability and ESG Approach

Sovereign Wealth Funds (SWFs) around the world are increasingly playing an important role in sustainability as they align with their respective nations' commitments to the Paris Agreement and UN SDGs – two key frameworks for promoting and achieving a sustainable future for all. This requires broadening the value creation opportunities beyond the traditional focus on profit maximisation, to creating superior social benefits to society. SWFs are also incorporating Environmental, Social and Governance (ESG) factors into their business practices.

Part of the Authority's efforts to embed sustainability in the institution in 2022 was the development of an ESG strategy to help us increase our impact, achieve better long-term investment returns, and meaningfully contribute to positive environmental and social outcomes. NSIA's ESG strategy is anchored on three core pillars: the institution, our investments, and sustainability-focused partnerships.

- I. **Institutional Sustainability:** The first pillar focuses on embedding sustainability and ESG factors into the Authority's operations and core processes. Thus, NSIA commenced the development of a framework to integrate Environmental and Social (E&S) risk assessment and mitigation into our operations and investment appraisal processes across the core funds. NSIA also adopted strategies that enable the reduction of carbon emissions from its operations and across the subsidiaries. The Authority has deployed renewable and efficient energy solutions, ramped up digitisation to significantly reduce paper use and implemented efficient waste management techniques among other measures. The Authority is also focused on efficient water use as well as gender mainstreaming.
- II. **Embedding Sustainability and ESG Factors in Our Investments:** The second aspect of the Authority's ESG strategy focuses on embedding sustainability and ESG considerations into investment decisions.

NSIA aims to create an asset class of green, social, sustainability-linked investments by conceptualising and developing climate propositions that deliver environmental and social benefits, alongside



commercial returns. For example, in 2022, NSIA commenced discussions with Vitol SA, a global energy trading company, to set up a JV that develops carbon reduction and avoidance projects. The projects developed under this JV will produce considerable socio-economic benefits for Nigerians and generate verifiable reductions in carbon emissions.

- III. **Building Sustainability-Focused Partnerships:** The third pillar of the Authority's sustainability and ESG strategy is focused on building relevant partnerships to share best practices in climate action and positive social outcomes. Such partnerships are also critical to unlock development financing at scale. As the theme of this year's Annual Report, "Building for the Future: Enabling Sustainable Economic Development," states, the Authority plays a vital role in Nigeria's low-carbon development by facilitating climate adaptive solutions. This requires forging new partnerships, to drive the ESG integration, increase our green investment portfolio and accelerate climate action.

In 2022, NSIA became a member of Africa Sovereign Investors Forum (ASIF), a multilateral platform of African Sovereign Wealth Funds dedicated to enhancing cooperation among its members with the objective of unlocking investment opportunities and mobilising capital for the benefit of the continent. The Authority also optimised its membership in the One Planet Sovereign Wealth Fund (OPSWF), a coalition of SWFs committed to low-emission development strategies

and integrating climate risks into the management of their assets.

The full-scale implementation of our sustainability and ESG framework within NSIA will commence in 2023. It is the Authority's belief that the formal integration of ESG practises will expand value for Nigerians, unlock the required access to grow capital, increase the size of the third-party funds and ensure optimal delivery of its mandate.

### Looking Ahead to 2023

A major expectation in 2023 is for the Authority to begin implementation of the ESG framework it started developing in 2022. Part of this process will entail conducting E&S risk assessment and categorisation before recruiting new fund managers for SF and FGF, or making new investments under the NIF. NSIA will also conduct a thorough materiality assessment to identify the most relevant ESG issues and ensure the ESG framework being developed effectively addresses those issues.

The Authority will equip the relevant teams across our three core funds – SF, FGF, and NIF – and the third-party managed funds with the tools and strategies to apply, track, monitor and report ESG implementation and impact.

NSIA aims to foster additional strategic partnerships with relevant government agencies, organisations and stakeholders, to position the Authority as a leader in sustainability.

## Corporate Governance

NSIA recognises good corporate governance as critical to its success. For this reason, the Authority's corporate governance structure has been rigorously and intentionally designed to deliver optimal value to all our stakeholders.

The corporate governance practices help us to institute processes that enable the Authority to maintain operational efficiency and stability, reduce risk, achieve a high level of productivity, and unlock new opportunities. This has served to project NSIA as a reputable organisation and a trusted partner.

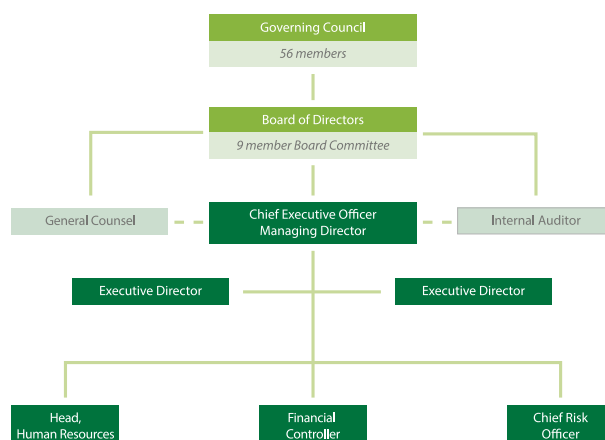
The Authority upholds world-class standards in all aspects of corporate governance, including Board oversight, risk management, and strict operational guidelines. NSIA actively monitors and evaluates the performances of our investment portfolios and people, with the objective of achieving positive financial, economic, social, and environmental returns on investment.

The Authority's core values of integrity, transparency, and discipline continue to reinforce the corporate behaviour, helping to drive the NSIA Way across the entire organisation. NSIA subscribes to the ethos of transparency, good governance, accountability, and prudent investment practices.

NSIA is a member of the International Forum of Sovereign Wealth Funds (IFSFWF) and a signatory to the Santiago Principles. The Authority is also a signatory to the One Planet Sovereign Wealth Funds and is committed to accelerating the integration of climate risk considerations and sustainability opportunities into the asset management processes. In 2017, NSIA established a web-based whistle-blowing platform to strengthen its accountability system.

The Authority's Governance structure, at the highest levels, includes the Governing Council, NSIA Board and its Committees, Executive Management, and Executive Committee which comprises senior management staff.

The chart below illustrates our governance structure.



### Code of Corporate Governance

The Authority's Code of Corporate Governance is reviewed periodically to align with global best practices and Nigerian laws. In 2022, NSIA made no changes to its corporate philosophy and core values. However, during the year, the Board began to reposition the Authority as a leader in ESG practices and sustainability. Some of the Authority's policies were also updated during the year.

Complementary to the Code, the Authority promotes its core values to employees through the following policies and frameworks:

- Code of Conduct
- Compliance Risk Management Framework
- Communications Policy
- Ethics Policy
- Statements of Ethical Investment Principles
- Subsidiary Governance Framework
- Whistle-blowing Policy

The Communications Policy and Staff Handbook regulate employee relations with both internal and external parties. This is a strong indicator of the Authority's determination to ensure that its employees always remain professional in their business practices. The Authority also has an entrenched culture of openness through which healthy discourse is encouraged and employees are mandated to report improper activities.

### Governing Council

NSIA (Establishment etc.) Act. 2011 (NSIA Act) provides for a Governing Council, which is the 'Advisory Body' of the Authority. The Governing Council is charged with the responsibility of raising questions on the operations and performance of NSIA, obtaining clarifications, and giving guidance and counsel to the Board, while observing the independence of the Board and Management.

The membership of the Governing Council is provided for in section 8 of NSIA Act to include:

- a) The President of the Federal Republic of Nigeria (who may be represented by the Vice President of the Federal Republic of Nigeria), who shall be the Chairman
- b) Each of the State Governors
- c) The Attorney-General of the Federation
- d) The Minister of Finance
- e) The Minister in charge of the National Planning Commission
- f) The Governor of the Central Bank of Nigeria
- g) The Chief Economic Adviser to the President
- h) The Chairman of the Revenue Mobilisation, Allocation and Fiscal Commission
- i) Four reputable individuals representing the private sector with cognate experience, in finance, economics, investments, or other related areas of expertise
- j) Two representatives of civil society such as members of non-governmental organisations and professional organisations focused on civil rights
- k) Two representatives of Nigerian youth
- l) Four eminent academics.

The Act provides for the Council to meet once a year. In 2022, the Governing Council met once, to receive the financial statements and annual report for 2021 year-end, in compliance with the statutory requirement.

### Governance Framework

NSIA is governed under a framework that enables the Board to effectively discharge its oversight functions while providing strategic direction to the Authority. Additionally, the Board is responsible for ensuring high standards of corporate governance across the Authority and its subsidiaries. The Board recognises that effective corporate governance is a key imperative necessary to achieve the Authority's mandate. In this regard, NSIA Board of Directors' Charter sets out the roles and procedures of the Board and its Committees. The various Board Committees also have charters guiding their activities.

### Board of Directors

Section 15 of the NSIA Act outlines the roles of the Board of Directors. Specifically, it states that "the Board of Directors shall be responsible for the attainment of the objects of the Authority, the making of policies and general supervision of the management and affairs of the Authority and such other functions conferred upon it by any other provision of the Act."

In addition to the Board's direct supervisory role, the Board exercises its oversight responsibilities through its Board Committees. The Board Committees play a pivotal role in NSIA. The Committees work with Management to ensure that the Authority is efficient, performance-driven, and financially stable. The Committees see to it that interactive dialogue is employed in the process of setting broad policy guidelines that drive proper management and set a direction for the Authority on a regular basis.

The Board and its Committees meet quarterly while additional meetings are convened as necessary. Material decisions may be taken between meetings by way of written resolutions. Since January 2022, the Board has had two Board Committees, namely, the Board Investments Committee, and the Board Finance and General-Purpose Committee. In the course of the year, the Board and its Committees met physically and virtually.

### Responsibilities of the Board

The Board determines the strategic objectives and policies of the Authority. The aim is for the Authority to deliver long-term value by providing it with overall strategic direction within a framework of rewards, incentives, and controls.

The Board also ensures that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. In fulfilling its primary responsibilities, the Board is aware of the importance of achieving compliance with governance principles and economic performance.

Powers reserved for the Board include the approval of quarterly, half-yearly, and full-year financial statements (whether audited or unaudited) and any significant change in accounting policies and/or practices. The Board also reserves the power of approval for major changes to the Authority's corporate structure and the determination and approval of the strategic objectives and policies of the Authority to deliver long-term value. The strategy, medium and short-term plan, and the annual operating and capital expenditure budget of NSIA are to be approved by the Board, as well as the appointment, removal, and remuneration of Auditors.

Other powers reserved for the Board are the determination of Board structure; succession planning for senior management; establishment of subsidiaries; approval of remuneration policy and packages for staff; appointment of the Managing Director and other directors of subsidiaries; approval of the Board Performance Evaluation process; Corporate governance framework; review of the performance of the Managing and Executive Directors; approval of policy documents on significant issues, including Enterprise-wide Risk Management, Investments, Finance, Human Resources, Communications, Corporate Governance; and approval of all matters of importance to the Authority as a whole because of their strategic, financial, and risk or reputational implications or consequences. In 2022, the Board provided support to the Honourable Minister of Finance, Budget and National Planning for the purpose of the appointment of the new Executive Management.

### Roles of the Chairman and Chief Executive

The roles of the Chairman and Chief Executive are separate. No one individual can combine the two positions. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely, and clear information, enabling the Board to take informed decisions and provide advice to promote the success of the Authority. The Chairman also promotes effective relationships and open communications between the Executive and Non-Executive Directors, both inside and outside the Boardroom. The Chairman is not a member of any of the Board Committees.

The Board has delegated the responsibility for the day-to-day management of the Authority to the Managing Director and Chief Executive Officer (MD & CEO), who is supported by two Executive Directors.

The Managing Director executes the powers delegated to



him in accordance with guidelines approved by the Board of Directors. The Executive Management is accountable to the Board for the development and implementation of strategies and policies. The Board regularly reviews Group performance, matters of strategic concern, and any other matter it regards as material.

### Members of the Board of Directors

The NSIA Act stipulates the appointment of nine Directors, three of whom are to be Executive Directors. Specifically, the Board consists of a Non-Executive Chairman, three Executive Directors (MD & CEO and two other Executive Directors) and five Non-Executive Directors. The members of NSIA Board of Directors bring a diverse range of skills and competencies from an assortment of relevant backgrounds.

There were changes in the composition of the Board of NSIA in 2022. Mr. Ike Chioke, who had been appointed along with the other Non-Executive Directors in 2021, resigned his appointment because of the possibility of a conflict of interest. As a result, Dr. Ogechi Paschal-Ejiogu was appointed to replace him in January 2022.

Also, in September 2022, the pioneer MD & CEO of NSIA, Mr. Uche Orji, exited the institution having completed his statutory two terms of office. Mr. Aminu Umar-Sadiq was subsequently appointed as the new MD & CEO. Two new Executive Directors were also appointed, namely, Mr. Kolawole Owodunni and Mrs. Olubisi Makoju.

The previous Board, whose tenure ended in July 2021, had five committees. When the new Board was appointed in September of that year, it first operated as a committee of the whole Board. In January 2022, however, the Board then decided to create two committees.

At the beginning of the financial year 2022, the members of the Board were:

Farouk M. Gumel, Chairman, BOD  
Uche Orji, MD & CEO  
Aminu Umar-Sadiq, ED  
Ikem L. Isiekwena, NED  
Ali G. Kadugum, NED  
Kabir S. Oniyangi, NED  
Babatunde E. Sobamowo, NED  
Ogechi Paschal-Ejiogu, PhD, NED

Later in September, changes were made to the composition

of the Board as enumerated below:

Farouk M. Gumel, Chairman, BOD  
Aminu Umar-Sadiq, MD & CEO  
Kolawole Owodunni, ED & CIO  
Olubisi Makoju, ED & COO  
Ikem L. Isiekwena, NED  
Ali G. Kadugum, NED  
Kabir S. Oniyangi, NED  
Babatunde E. Sobamowo, NED  
Ogechi Paschal-Ejiogu, PhD, NED

1. BOD: Board of Directors
2. MD & CEO: Managing Director and Chief Executive Officer
3. ED & COO: Executive Director and Chief Operating Officer
4. ED & CIO: Executive Director and Chief Investment Officer
5. NED: Non-Executive Director

This team of highly qualified professionals with proven credentials and globally-tested market experience constitutes the highest decision-making body responsible for governance and policy at NSIA.

### Membership of Board Committees

The following are the compositions of the two Board Committees since January 2022.

#### Board Investments Committee

Ikem L. Isiekwena - Chairman  
Kabiru S. Oniyangi - Member  
Ogechi Paschal-Ejiogu – Member

#### Board Finance & General-Purpose Committee

Ali G. Kadugum - Chairman  
Babatunde E. Sobamowo - Member  
Ikem L. Isiekwena – Member

## Board Meeting Attendance

✓- Present   N/A - Absent   \* - In Attendance (as CIO/FC)

Name	1 February	18-19 March	28 April	22 & 24 June	5 September	22 September	27 October	1 December
Farouk Mohammed Gumel	✓	✓	✓	✓	✓	✓	✓	✓
Uche Orji	✓	✓	✓	✓	✓	✓	X	X
Aminu Umar-Sadiq	✓	✓	✓	✓	X	✓	✓	✓
Ali Goni Kadugum	✓	✓	✓	✓	✓	✓	✓	✓
Babatunde Emmanuel Sobamowo	✓	✓	✓	✓	✓	✓	✓	✓
Ikemefuna Louis Isiekwena	✓	✓	X	✓	✓	✓	✓	✓
Kabir Suleiman Oniyangi	✓	✓	✓	✓	✓	✓	✓	✓
Ogechi Paschal-Ejiogu	✓	✓	✓	✓	✓	✓	✓	✓
Kolawole Owodunni	✓*	✓*	✓*	✓*	N/A	✓*	✓	✓
Olubisi Makoju	N/A	✓*	✓*	✓*	N/A	✓*	✓	✓

## Meeting Attendance: Board Investments Committee

✓- Present   N/A - Absent   \* -In Attendance (as CIO/FC)

Name	25 April	25 May	13 June	31 August	15 November
Ikemefuna Louis Isiekwena	✓	✓	✓	✓	✓
Kabir Suleiman Oniyangi	✓	✓	✓	✓	✓
Ogechi Paschal-Ejiogu	✓	✓	✓	✓	✓
Uche Orji	✓	✓	✓	✓	X
Aminu Umar-Sadiq	✓	✓	✓	✓	✓
Kolawole Owodunni	✓*	✓*	✓*	✓*	✓
Olubisi Makoju	N/A	N/A	N/A	N/A	✓

## Meeting Attendance: Board Finance & General-Purpose Committee

✓- Present   N/A - Absent   \* -In Attendance (as CIO/FC)

Name	27 April	26 May	3 August	1 September	14 November
Ali Goni Kadugum	✓	✓	✓	✓	✓
Babatunde Emmanuel Sobamowo	✓	✓	✓	✓	✓
Ikemefuna Louis Isiekwena	✓	✓	✓	✓	✓
Uche Orji	✓	✓	✓	✓	X
Aminu Umar-Sadiq	✓	✓	✓	✓	✓
Kolawole Owodunni	N/A	✓*	✓*	✓*	✓
Olubisi Makoju	✓*	✓*	✓*	✓*	✓

## Board of Directors



**Mr. Farouk M. Gumel**  
Chairman

Mr. Farouk M. Gumel is a Group Executive Director and Head of Agri-Businesses at Tropical General Investment (TGI) Group, a global conglomerate operating in 13 countries across Africa, the Middle East, and Asia. TGI's business interests span the entire food value chain, from origination/farming, to processing, distribution, and branded retailing.

He is also the Chairman of WACOT Rice Limited, one of the largest state-of-the-art rice mills in Nigeria and serves on the Board of several other companies. Recently, he was appointed Chairman of the Board of Directors of Union Bank Plc, one of Nigeria's largest and oldest commercial banks.

Mr. Gumel has nearly two decades of professional experience in consulting, audit, corporate finance, advisory services, and asset management.

Before joining TGI, he was a Partner and Head of West African Advisory/Consulting business at PricewaterhouseCoopers (PwC), covering Nigeria, Ghana, Liberia, Sierra Leone, and Angola. He worked at PwC in various capacities, in the United Kingdom, the United States of America, and West Africa, from 2002 to 2015.

Between 2016 and 2020, he was a Honorary Consultant to the Presidency of Nigeria on Agriculture and Food Security, where he supported the development and implementation of the Presidential Fertiliser Initiative (PFI); National Food Security Programme; Humanitarian Food Distribution Programmes in Northeast Nigeria; and various agriculture and food-related backward integration policy development initiatives. In August 2021, he was appointed Co-Chairman of Benin Republic's National Committee for the Development of the

Rice Value Chain by President Patrice Talon of the Republic of Benin.

Mr. Gumel is a member of the Institute of Chartered Accountants of Nigeria (ICAN) and a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW). He has served on several Presidential and Ministerial - Level task forces/committees for more than a decade. In addition to his professional memberships, he earned a Master's Degree in Clean Technology from the University of Newcastle, UK, in 2001. He graduated with distinction and finished top of his class with a Bachelor's Degree in Materials (Leather) Technology from the University of Northampton, UK, in 2000.





**Mr. Aminu Umar-Sadiq**  
Managing Director and Chief Executive Officer

Mr. Aminu Umar-Sadiq has more than 15 years' experience in the financial services sector – spanning public finance management, mergers and acquisitions, private equity, and asset management.

Prior to his appointment as MD & CEO, Mr Umar-Sadiq was an Executive Director at NSIA, a member of the three-person executive committee and the Board. In this capacity, he played a key role in implementing the Authority's overall strategy by driving operational and financial excellence.

As the Head of Direct Investments, Mr. Umar-Sadiq led the Authority's multi-strategy infrastructure activities and provided direct oversight to more than 20 investment professionals. He was also responsible for corporate governance management and performance reporting for the Authority's subsidiary entities.

He commenced his professional career in the mergers and acquisitions division at Morgan Stanley, subsequently proceeding to Denham Capital Management, a natural resources-focused private equity fund, and then to the mergers and acquisitions division at Société Générale.

He serves as a Non-Executive Director capacity on numerous Boards including Development Bank of Nigeria (DBN), Nigeria Mortgage Refinance Company (NMRC), Infrastructure Credit Guarantee Company Limited (InfraCredit) and Family Homes Fund Limited (FHFL).

Mr. Umar-Sadiq obtained his Bachelor's and Master's Degrees in Engineering Sciences from the University of Oxford (St John's College). He has also attended a plethora of advanced management programmes for senior management executives.



**Mr. Ikemefuna Louis Isiekwena**  
Non-Executive Director

Mr. Ikemefuna Louis Isiekwena is a Non-Executive Director at the Nigeria Sovereign Investment Authority.

Mr. Ikemefuna is a partner at Simmons Coopers Partners, a firm of Barristers and Solicitors in Nigeria. Called to the Nigerian Bar in 2004, he has several years of professional experience in the practice of Law. He possesses substantial Board-level experience having served on various Boards, including as Director at SlavaBogu Construction Company Ltd. and as Board member, Corona Trust Council.

He has extensive experience in commercial law. Mr. Isiekwena has provided transaction advisory services across a wide range of corporations and serves as lead counsel on large-ticket transactions covering project finance, oil and gas, real estate, energy and power, financial services, and private equity.

Prior to joining Simmons Coopers Partners, he worked at highly regarded and successful law firms, including DAC Legal Practitioners, Umoh Inyang & Co, and Alegeh & Co.

Mr. Isiekwena holds a Bachelor of Laws (LLB) and a Master of Laws (LL.M) in Competition Law from the University of Benin (2002) and Kings College London (2012), respectively. He is a Barrister at Law (BL) of the Supreme Court of Nigeria and is an MBA Alumnus of Robert Kennedy College, USA.

He is a member of various professional bodies, including the Nigerian Bar Association (NBA) and Committee on Antitrust and Competition Law, International Bar Association.



**Mr. Ali Goni Kadugum**  
Non-Executive Director

Mr. Ali Goni Kadugum is a Non-Executive Director at the Nigeria Sovereign Investment Authority.

Mr. Kadugum is an accomplished academic and technocrat. He brings over two decades of cognate experience spanning the academia, civil service, and banking. He has worked on-and-off in the academia over the last two decades and brings a unique set of industry and research-based skills to NSIA Board.

He was a Chief Lecturer, College of Education, Nguru and had served as Rector, College of Administrative and Business Studies from 2007 to 2016 until his appointment as Chief Lecturer. He is also a Director at Kadugum Brothers Nigeria Limited. Mr. Kadugum served as the Honourable Commissioner for Commerce and Industry, Yobe State, where he contributed to the state's growth strategy. Outside the academia, he had worked as an Internal Auditor at Premier Commercial Bank, General Manager at Bade Transport Service, and Industrial Officer at the Federal Ministry of Commerce and Industry.

He holds an MA Business from the University of Central Lancashire, and a Postgraduate Diploma as well as a Bachelor's Degree from the University of Maiduguri. He is a Fellow of the Association of Financial Analysts of Nigeria, Fellow of Institute of Practicing Professionals, and Member, Institute of Management Professionals.



**Mr. Kabir Sulaiman Oniyangi**  
Non-Executive Director

Mr. Kabir Sulaiman Oniyangi is a Non-Executive Director at the Nigeria Sovereign Investment Authority.

Mr. Oniyangi is a financial services expert with over three decades of relevant experience. Prior to his appointment as a Non-Executive Director at NSIA, he spent over 26 years at the Nigeria Deposit Insurance Corporation (NDIC), a parastatal under the Nigerian Ministry of Finance charged with protecting the banking system from instability, rising from deputy manager to Controller, Kano Regional Office.

Prior to joining NDIC, he worked at the National Electric Power Authority (NEPA) as an investment manager and New Nigeria Development Company (NNDC) also as an investment manager.

He has attended courses locally and internationally at some of the most prestigious institutions in the world. Mr. Oniyangi holds an MBA from Ahmadu Bello University and a Bachelor's degree, in Business Administration, from the same institution.



**Dr. Ogechi Paschal-Ejiogu**  
Non-Executive Director

Dr. Ogechi Paschal-Ejiogu is a Non-Executive Director on the Board of Directors of the Nigeria Sovereign Investment Authority.

Dr. (Mrs.) Paschal-Ejiogu is an accomplished economist with significant expertise in the benefits and healthcare sectors. She is currently a senior contracts administrator in the benefits department of Kaiser Permanente, an American integrated managed care consortium.

She possesses in-depth knowledge of complex economic concepts, mathematics, and marketing, and is adept at applying theories and ideas in real-world situations. She also has a strong understanding of business finance, econometric modelling, data analysis, economic planning, and data interpretation and has contributed to industry both in Nigeria and in the United States of America over the last two decades.

An avid humanitarian, Dr. Paschal-Ejiogu is enthusiastic about poverty reduction, human development, and women/girl empowerment. She volunteers at Food & Friends (Washington, D.C.), Sisters of the Needy, Girl Scouts, and various Catholic charities.

She possesses a Ph.D. in Economics in Public Policy and Development from Howard University, USA, where she graduated with a distinction. She obtained her MSc. in Development Economics and Policy from Reading University, UK, and earned her first degree from Imo State University, where she bagged a BSc. in Economics.



**Sir Babatunde Sobamowo (KJW)**  
Non- Executive Director

Sir Babatunde Sobamowo is a Non-Executive Director on the Board of the Nigeria Sovereign Investment Authority.

Sir Tunde Sobamowo is the promoter and founder of Global Asset Management (Nig.) Ltd. He is an erudite and seasoned investment management expert, consummate banker, and experienced financial services professional with decades of post-professional qualification experience spanning Auditing, Taxation, Leasing, Banking, Share dealing, and Financial Advisory/Business Recovery Services.

He started his career at Coopers and Lybrand (now PricewaterhouseCoopers), an internationally renowned firm of professional accountants, and rose to become senior accountant. Following his short stint at the firm, he joined NAL Merchant Bank Nig. Plc in 1983 as an Assistant Manager and rose to become an Area Manager, Northern Area. Subsequently, he became the Head of the Capitals at NAL Merchant Bank where he led the packaging of several listings and big-ticket transactions for the bank.

He left the bank in 1993 and founded Babatunde Sobamowo & Co., a tax, management consulting and audit practice as its pioneer Principal Managing Partner. Following this, he set up Global Asset Management (Nig) Ltd. in 1996. Apart from helming these respected organisations, Sir Sobamowo has had the privilege of serving in various capacities on multiple Boards.

Sir Sobamowo is a dealing member of the Nigerian Exchange Group having qualified in May 1993. He is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA); Fellow of the Chartered Institute of Stockbrokers (FCS); Associate of the Chartered Institute of Taxation; an Associate of the Certified Pension Institute of Nigeria; and a member of Business Recovery and Insolvency Practitioners Association of Nigeria. He is a 1978 graduate of the prestigious University of Lagos where he studied Economics.



**Mr. Kolawole Owodunni**

Executive Director and Chief Investment Officer

Mr. Kolawole Owodunni is an Executive Director and Chief Investment Officer at the Nigeria Sovereign Investment Authority.

Mr. Owodunni is a consummate professional with nearly two decades of cognate experience principally in the financial services sector, spanning Investment Management, Risk Management, and Treasury. As the Chief Investment Officer, he is responsible for deploying over US\$3 billion across various investment mandates in the Authority's core funds; Stabilisation Fund, Future Generations Fund, and Nigeria Infrastructure Fund. He oversees a large, diverse portfolio of equity, fixed income, and alternative investments, leading both the direct investments and third-party investments on behalf of the Authority.

Prior to this role, Mr. Owodunni served as the Head of Investment Risk Management at the Authority where he managed Investment Risk across the Authority's three core funds with over US\$2 billion of Assets Under Management at the time. His previous roles include Head of Risk Management at Dunn Loren Merrifield, a boutique Investment Bank headquartered in Lagos, Nigeria. He was also a Risk Manager in Credit Suisse, London. Before joining Credit Suisse, Mr. Owodunni was one of the pioneer staff at the Hedge Fund Development and Management Group of Merrill Lynch (now Bank of America Merrill Lynch) in London. He began his professional career at Goldman Sachs, London, firstly as a Treasury Analyst and later as a Risk Analyst for the Prime Brokerage business.

Mr. Owodunni holds an M.Eng. Degree in Chemical Engineering from Imperial College, London, and an MBA from INSEAD, France. He is a Chartered Financial Analyst (CFA).



**Mrs. Olubisi Makoju**

Executive Director and Chief Operating Officer

Mrs. Olubisi Makoju is an Executive Director & Chief Operating Officer at the Nigeria Sovereign Investment Authority.

Mrs Makoju's responsibilities are pivotal to the strategic development and execution of the organisation's objectives, which includes fostering economic development in Nigeria in focus areas such as financial infrastructure, technology, agriculture, healthcare, and renewable energy.

In her role, she oversees enterprise risk management, operational efficiency, and strategic financial planning. Furthermore, she is currently leading a transformative journey within the organisation which is geared towards enhancing NSIA's capabilities and maximising its impact. Her professional journey spans over two decades delivering value across oil & gas, information technology and financial institutions. Throughout her career, Mrs. Makoju has consistently demonstrated her ability to deliver value through strategic leadership.

Prior to this time, she was the Financial Controller at the Nigeria Sovereign Investment Authority.

Mrs. Makoju holds an MBA from the University of Warwick, UK, and is a first-class graduate of Accountancy from the Obafemi Awolowo University, Ile-Ife, Nigeria. She is a remarkable leader, keen on engaging the mind in pursuit of institutional objectives. She is passionate about women empowerment and currently leads the NSIA Women's Network helping promote career development, coaching and mentoring for women within the organisation.

## Risk Overview

The global economic outlook in 2022 was considerably on the downside. The hope of a post-COVID-19 economic rebound during the year was dampened by the outbreak of the Omicron variant of SARS-CoV-2 in November 2021. Its rapid global spread prompted numerous countries to reinstate mobility restrictions, casting a shadow over hopes for a swift economic rebound. In China, the policy of zero-tolerance for COVID-19 led to economic shut-down and further constrained global supply chains.

2022 was a year of multiple crises, originating from the economic fragility caused by the pandemic and the policies to contain it. As economies began to reopen in 2021, inflation surged. The threat of inflation heightened in 2022, and most advanced economies – including the United States of America – recorded historic levels of high inflation rates. As inflation continued to rise, the standard of living began to fall around the world. Most developing economies, especially in Africa, were unable to provide financial support for the welfare of citizens. In those countries where the labour market was already slack pre-COVID-19, unemployment rates worsened.

The central banks of major economies hiked interest rates to curb rising inflation. The increase in interest rates generated concerns as a result of higher cost of borrowing and the lower portfolio valuation of the US treasury rates. However, this situation, posed a different challenge in emerging markets and frontier economies where a spike in US interest rate automatically triggers a reversal of financial flows.

The rather gloomy outlook was further impacted by the geopolitical risk of the Russia-Ukraine war that resulted in higher food and energy costs.

The war imposed serious restrictions on food supply, increasing food prices globally. Before the war, Ukraine

supplied approximately 10% of global wheat and corn. Russia imposed a blockade of the Black Sea, which prevented Ukraine from accessing the export markets for its grains. However, the Black Sea Grain Initiative, brokered by the United Nations and Turkey, provided limited access to Ukraine's grains to ameliorate the supply strangulation.

Finally, macroeconomic and market issues in China also imposed downside risks of global impact. In 2022, Chinese economic growth fell sharply, with fragility remaining on the outlook. Also, years of instability in China's property market, began to morph into a major crisis. As part of the shocks from the market, in December 2021, Evergrande, the largest Chinese real estate developer, defaulted on interest payment due to its offshore bondholders. A similar default by Kaisa Group Holdings, a China-based investment company, soon followed. The ensuing delay in completing real estate projects amidst the government's crackdown on market speculation saw months of decline in property prices in China in 2022.

The World Economic Outlook of the International Monetary Fund (IMF) noted that the global economy faced the challenges of "inflation and uncertainty". Additionally the final growth projection for 2022 was slashed to 3.2% down from its estimated real GDP growth rate of 6.0% for 2021. Real output growth for the advanced economies dipped by more than 50%, from the estimated 5.4% for 2021 to a projected 2.4% for 2022.

Growth in emerging markets and developing economies fell from an estimated 6.6% for 2021 to a projected 3.7% for 2022. The two largest economies in the bloc, China and India, had conflicting economic realities. From an estimated 8.1% GDP growth rate in 2021, China's growth was projected to fall to 3.1% in 2022 after adjustment for inflation. But India weathered the global macroeconomic risk better, with real GDP growth projected at 6.8% in 2022, even though down from an estimated 8.6% in 2021.

Sub-Saharan Africa remained below recent highs of average output growth in the region, reflecting the impact of the pandemic and low commodity prices. Growth in the region was projected to fall to 3.6% in 2022, compared to 4.7% estimate of 2021.

### Nigeria Risk Environment in 2022

Nigeria was impacted by global macroeconomic risk in 2022. The channels of exposure included inflation and international capital outflow. A combination of domestic insecurity and oil theft also dampened economic indicators. The GDP growth declined to 3.10% in 2022 from 3.40% in 2021, according to data from the National Bureau of Statistics (NBS).

The country recorded US\$20.1 billion in remittances by Nigerians in the diaspora in 2022, according to World Bank's Migration and Development Brief. The figure shows a steadiness in the flow of remittances to Nigeria when



compared to the US\$20 billion recorded in 2021. According to the International Organisation for Migration, “remittances stimulate aggregate demand, increase consumption and, as a result, accelerate economic growth. Remittances increase household disposable incomes, lead to poverty reduction and increase investment in human capital.”

Nigeria, with a population of over 210 million, large economy and a diverse production base spanning agriculture, manufacturing, services, as well as hydrocarbon reserves, amongst others, is a potential global economic powerhouse. However, a combination of challenges, including insecurity, perception of high political risk by global investors, acute infrastructural deficit, low productivity, and high unemployment rate have continued to negatively impact the country's economic outlook.

In the year 2022, one of the country's major macroeconomic challenges was Inflation. From 15.63% year-on-year (YoY) in December 2021, the All-Items inflation index of the NBS rose to 21.34% in December 2022. Food inflation was higher at 23.75% YoY at the end of 2022. The Central Bank of Nigeria (CBN) responded to the uptrend in inflation by raising its Monetary Policy Rate (MPR), which acts as a benchmark for bank interest rates. After it retained the MPR at 11.5% in January and March 2022, the CBN increased the anchor interest rate at its next four monetary policy meetings, reaching 16.5% in November 2022. While the notion of a monetary impetus for rising inflation in the country was plausible on account of the expansion in money supply (M2) from ₦43.82 trillion in 2021 to ₦52.14 trillion in 2022, structural factors meant inflationary pressure remained largely unabated.

According to data from the NBS, total capital importation into the country stood at US\$1,060.73 million in Q4 2022, indicating a decrease of over 50% compared to the same period a year earlier. Likewise, according to data from the United Nations Conference on Trade and Development (UNCTAD), foreign direct investment (FDI) flow to Nigeria in 2022 turned negative to -\$187 million as a result of equity divestments. In Africa, Foreign Direct Investments (FDI) contracted by 44%. Nevertheless, greenfield projects announced for Nigeria rose by 24% to US\$2 billion.

In 2022, domestic insecurity continued to pose a major challenge to the safety of lives and properties in the country despite the progress that had been made in curtailing violent terrorist groups in the country. Reports of terror attacks and kidnapping for ransom continued to be a major threat to people and economic activities especially in the agriculture sector hence, rising food prices in the country.

According to a report of the Nigerian Senate, the country

lost over US\$2 billion to oil theft in the Niger Delta region between January and August 2022. As a result of oil theft and production shut-in due to dilapidated facilities, Nigeria was unable to meet its OPEC export quota during the year and benefit from the recovery in oil prices. The revenue loss by the government meant that the country had to rely more on domestic and foreign debts. This made the public debt stock to continue its upward trajectory, reaching ₦46.25 trillion or US\$103.12 billion at the end of the year. While Nigeria's debt-to-GDP ratio stood at 23.2% in 2022, and remained below the levels of its comparator countries, interest payment on the debt as a percentage of the government's revenue had begun to stretch the sustainability of the government debt.

Other issues that continued to be a challenge to the economy included infrastructure deficit, low productivity of the economy, unemployment rate above 40%, and 133 million Nigerians living in multi-dimensional poverty. On the infrastructure side, however, there has been a steady improvement with the commitment of the government to complete key arterial roads and rail projects.

The year closed as Nigeria entered a new electoral cycle. The reforms that were introduced through the Electoral Act, 2022 seemed to have raised enthusiasm among voters, especially the youth, as reflected in the surge in the number of registered voters.

### Risk Outlook

Inflation is anticipated to pose a significant macroeconomic risk in 2023. Nevertheless, it is expected that, by the conclusion of the first half of the year, we will likely have observed the zenith of the consumer price index in the US and other advanced economies. There is a high probability that the apprehension of a global recession may not come to fruition. However, the primary concern shifts towards the repercussions of interest rate increases on portfolio valuation. A substantial depreciation in the value of assets held by banks has the potential to instigate financial instability unless regulators intervene robustly and in a timely manner.

It is also anticipated that the Russia-Ukraine war will persist as the warring parties have demonstrated no inclinations for negotiations. Apart from the destruction that is caused on human lives and physical assets, the continued impact of the war on energy and food prices would remain a major concern.

With regard to Nigeria, a successful conduct of the 2023 general elections and smooth transition of power to a new administration will reduce the perception of risk, with the likelihood of return of both Foreign Direct Investments (FDI) and portfolio investment into the country.

## Risk Management

At NSIA, we believe that a sound risk management system is the foundation for building a vibrant and viable institution. We continually review the risks in our environment to understand the factors that enable such risk and then deploy mitigant to negate impact on the Authority. Below is a schedule of asset classes which the Authority constantly evaluates across its three core funds, the Stabilisation Fund (SF), Future Generations Fund (FGF), and Nigeria Infrastructure Fund (NIF).

Stabilisation Fund		Future Generations Fund			Infrastructure Fund	
<ul style="list-style-type: none"> <li>• FX Cash</li> <li>• Deposit Placements</li> <li>• Money Market Securities</li> </ul>	<ul style="list-style-type: none"> <li>• Investment Grade Corporate Bond Securities</li> <li>• US Treasury Bills &amp; Notes</li> </ul>	<ul style="list-style-type: none"> <li>• Asset Backed Securities (Credit Instruments)</li> </ul>	<ul style="list-style-type: none"> <li>• Developed &amp; Emerging Market Equities</li> </ul>	<ul style="list-style-type: none"> <li>• Hedge Funds</li> <li>• Private Equity</li> <li>• Venture Capital &amp; Commodities</li> </ul>	<ul style="list-style-type: none"> <li>• Healthcare</li> <li>• Motorways</li> <li>• Power</li> <li>• Agriculture</li> <li>• Technology</li> <li>• Gas</li> <li>• Industrialisation</li> <li>• Financial Market</li> <li>• Infrastructure</li> <li>• Other Direct Investments</li> </ul>	<ul style="list-style-type: none"> <li>• Major Direct Stakes (Public &amp; Private)</li> </ul>

Figure 2: NSIA Asset Class

## Risk Management Approach

The Authority's risk universe is broadly categorised under the headings of investment, market, credit, operational, political, and strategic risk to facilitate effective risk management and reporting.

Our strategy for managing risk is to identify, assess, mitigate, monitor, and report risk. Accordingly, our highly-experienced risk management team has developed a comprehensive process through which we monitor, evaluate, and manage all risks in conducting our activities, both internally and externally.

## Objectives of Risk Management

The Authority's risk management objectives are to:

- Ensure that all risks facing NSIA are identified and effectively managed, and that returns are commensurate with the risks taken.
- Protect NSIA against unexpected losses, reduce the volatility of our earnings, negate any threat to the value of the funds available from NSIA to support the Nigerian people in times of economic stress.
- Support the sustainable development of Nigeria's infrastructure by ensuring that the selection of projects is based on careful identification and assessment of inherent risks.
- Ensure that the Authority's investment plans are consistent, aligned with the defined risk appetite, and supported by an effective and efficient risk management function.
- Optimise the Authority's risk and return trade-offs by ensuring that every member of staff acts as a primary risk manager, while establishing strong risk management protocols complemented by independent review and oversight structures.
- Contribute to building a risk-smart workforce and business environment that allows for innovation and responsible risk-taking, while ensuring that cost-effective precautions are taken to protect stakeholders' interest.
- Obtain assurance on the effectiveness of the Authority's risk management processes through comprehensive and regular reporting processes.

## Risk Management Governance Structure

The Authority's approach to risk governance balances the demands for growth, control, and transparency while supporting our objectives with an efficient decision-making process. Risk management governance starts with our Board, which plays an important role in reviewing and approving risk management policies and practices.

Risk management processes are embedded within the business and executive management regularly advises Board Committees about relevant risk metrics and material exposures within their scope of oversight, which in turn is advised to the Board of Directors as appropriate. Details regarding the composition and main responsibilities of our Board of Directors and the Board Committees regarding risk management oversight are contained in the respective charters.

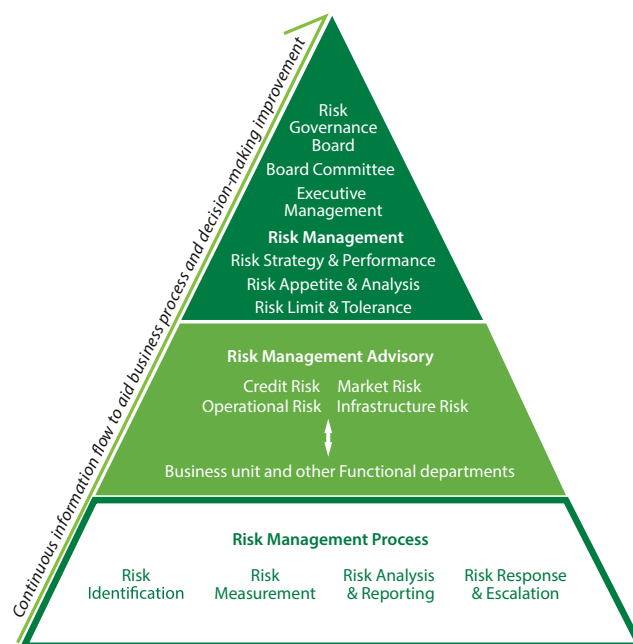


Figure 3: Risk Governance Framework Highlighting Risk Management Information Flow

At NSIA, the risk governance framework and end-to-end risk management value proposition is an integrated process underpinned by enterprise-wide management structure.



Figure 4: Risk Containment Framework

## Three Lines of Defence

The Authority's risk management framework is based on the 'Three Lines of Defence' model.

### First Line of Defence: Fund Managers

All fund managers are charged with the primary responsibility for managing the risks inherent in the various portfolios they manage. In the case of funds managed by external parties, the engaging investment team is responsible for directly monitoring the performance of the external managers and ensuring that they adhere to predetermined control measures. Processes required to assess, measure, and manage risks inherent in all portfolios (whether managed internally or not) are integrated in the activities of the office of the Chief Investment Officer.

### Second Line of Defence: Risk Management and Compliance Functions

The second line of defence comprises all units and functions responsible for providing risk oversight at NSIA. As part of its duties, the Authority's risk management team provides independent risk oversight by monitoring and challenging the effectiveness of the fund management and general operating practices. The risk management team is also tasked with monitoring risks across the entire organisation, ensuring compliance with regulations, established policies and procedures.

### Third Line of Defence: Internal Audit

The third line of defence is internal audit. The audit unit's primary responsibility includes assessing and providing independent assurance on the adequacy, appropriateness, and effectiveness of the overall risk management framework, policy, and practices of the Authority.

## Risk Appetite

The Authority's risk appetite is set at a level that minimises the erosion of earnings or fund value owing to avoidable losses in the Authority's investment transactions, or as a result of fraud and operational inefficiencies. The risk management function periodically recommends specific measures to the Board (or its committees) for approval as may be required.

## Risk Exposure

Executive Management defines the process for setting the risk appetite and makes recommendations to the Board for approval annually or as may be required.

## Risk Universe

NSIA has analysed and outlined mitigation steps for risk groups identified across all facets of our operations. These risks include strategic, market, project, and liquidity risks. Our strategies for addressing and limiting the impact of the occurrence are as follows:

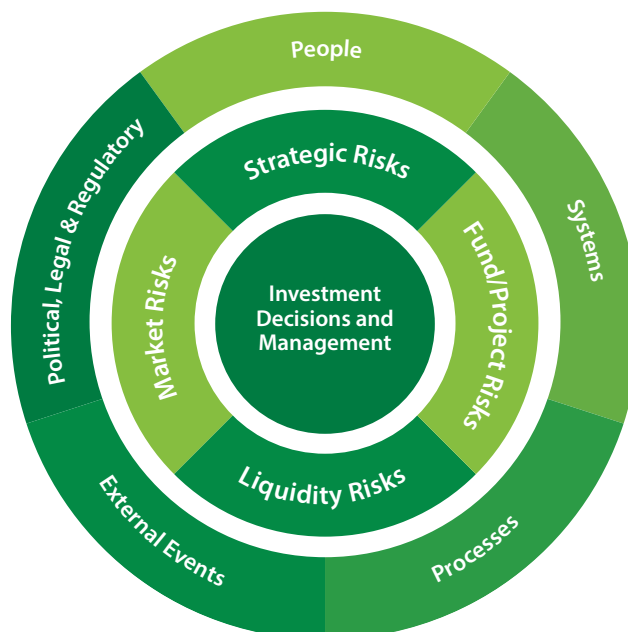


Figure 5: Risk Management Universe

## Investment Risk

Investment Risk Management encompasses assessing, monitoring, and managing investment risk at the Authority. The investment risk management portfolio covers market risk, credit risk, portfolio risk, liquidity risk, and infrastructure risk.

NSIA Risk Exposure				
Infrastructure Risk	Investment Risk	Market Risk	Credit Risk	Operational Risk
<ul style="list-style-type: none"> <li>Commercial Finance Risk</li> <li>Construction &amp; Design Risk</li> <li>Funding &amp; Financial Model Risk</li> <li>Operational &amp; Force Majeure Risk</li> <li>Environmental &amp; Social Risk</li> <li>Demand Offtake Risk</li> <li>Supply Chain &amp; Feedstock Risk</li> </ul>	<ul style="list-style-type: none"> <li>Liquidity Risk</li> <li>Portfolio Risk</li> <li>Event Risk</li> </ul>	<ul style="list-style-type: none"> <li>Interest Rate</li> <li>Foreign Exchange</li> <li>Credit Spreads</li> <li>Commodity Prices</li> <li>Equity Prices</li> </ul>	<ul style="list-style-type: none"> <li>Counterparty Default Risk</li> <li>Concentration Risk</li> <li>Credit Ratings Downgrade Risk</li> </ul>	<ul style="list-style-type: none"> <li>Reputational Risk</li> <li>People &amp; System Risk</li> <li>Internal Processes</li> <li>Fraud</li> <li>Political, Legal &amp; Regulatory</li> </ul>

Figure 6: NSIA Risk Types Across the Business



## 1. Infrastructure Risk

The Authority defines this as the risk of loss to earnings and capital resulting from the occurrence of events that negatively affect the cost of efficiencies, schedule management, quality control, safety, or technical performance of infrastructure projects. The Authority's project portfolio comprises infrastructure projects in sectors such as power, healthcare, agriculture, motor ways/toll road, gas industrialisation, financial market infrastructure, and technology/innovation. In carrying out investments in projects, the Group is faced with several risk factors.

The Group's infrastructure risk universe includes:

- **Construction risk:** This entails exposure to possible loss in construction arising from issues relating to land acquisition, equipment, nature and delivery of materials, supply chain, safety, sub-contractors and suppliers, labour, weather, natural causes, and rights of way. These risks may arise where the contractor uses poor quality suppliers, or the contractors and sub-contractors are incompetent, leading to poor quality work.

The Group mitigates these risks by ensuring the procurement of an Engineering, Procurement and Construction (EPC) contractor of reputable standing and track record. Furthermore, carrying out proper project planning, monitoring, and budgeting; conducting training for workers and employees on safety management; adhering to safety protocols; and inserting penalty clauses for late deliveries in the contract have proven very useful in mitigating these risks.

- **Design risk:** It is any exposure to possible loss in construction activities arising from insufficient, inaccurate, and incomplete designs, analysis, surveys, and scope. Other causes of these risks are delay in securing approval for construction drawings and concept design, errors in the quantity surveys, errors in method statements leading to delays, and where the design is not feasible, practicable, and flexible. The Group mitigates these risks by procuring a reputable technical adviser/consultant to advise on design and location of the projects concerned.
- **Procurement risk:** Procurement risk relates to the failure of a procurement process designed to purchase services, products, or resources. The Group mitigates this risk by ensuring compliance with the Procurement Policy, and that members of the Procurement/ Bid Evaluation Committee are competent individuals and senior members of staff with sound sense of judgement.
- **Legal and regulatory compliance risks:** Legal risk is the likelihood of financial loss resulting from changes in laws and regulations, and negligence in complying with these laws and regulations. It can also arise from legal and regulatory obligations, contract risks, and litigation brought against the Group. Regulatory compliance risk

is the potential for the Group or its personnel to violate existing laws and regulations because of insufficient control systems, lack of training, lack of due diligence, and human error. The Group ensures full compliance with the laws and regulations of the Federal Government and State Governments where projects are cited, as failure to do so could potentially expose the Group to a range of consequences, including legal penalties, voided contracts, financial forfeiture, material loss, loss of business opportunities, and reputational damage.

- **Project management risk:** This risk relates to an infrastructure project overrunning its schedule due to poor project management or overrun of its budget due to inaccurate poor estimate, and scope creep. It also covers the possibility and impact of design standards not met during project execution, quality of construction materials and service not meeting expectations. Project management risk also covers provision of technical expertise or technical advisers to manage projects, and technical errors of commission and omission. Other risk events are community concerns and protests, delays in relocating powerlines, cables, etc., right of ways issues, legacy debt issues, and issues relating to performance, operation and maintenance, project scoping, scheduling, and communication.

The Group mitigates this category of risk by identifying, assessing, and developing and implementing plans of action to manage it throughout the project's life cycle. We also ensure that the technical consultant engaged to manage the project has requisite expertise and experience.

- **Environmental and social risk:** This risk arises from the environmental and social activities and impact relating to projects. Risk factors could be environmental pollution, noise, ecological damage, loss of biodiversity, community protests, and hazardous waste. The Group mitigates this risk by conducting Environmental and Social Impact Assessment (ESIA) studies for all construction projects and engages the relevant Environmental & Safety Authorities at the Federal and State Government levels.
- **Supply chain risk:** This is the probability that issues with suppliers, shipments, and markets will disrupt a business in terms of production, operations, sales, and/or projects. Supply chain risk can crystallise due to shortage of a component/spare parts/raw materials; sanctions imposed on a supplier's country; price increases due to factors such as supply, demand, tariffs, etc.; quality failures such as spare parts/raw materials that do not conform to specifications; late deliveries and lost/damaged packages; and breakdown in supplier relationships.

The Group mitigates this risk by executing Sales and Purchase agreements with reputable suppliers, stating the minimum offtake quantity, and having a pool of multiple potential suppliers of raw materials.

- **Force majeure risk:** This is the risk of unforeseeable circumstances that could prevent or delay a counterparty from fulfilling any obligation under a contract. These unforeseen circumstances may be because of a hostility, act of public enemy, civil commotion, sabotage, act of the State, explosion, epidemic, pandemics, quarantine restriction, strikes and lock outs, fire, floods, other natural calamities, or any other acts of God. When any of these happen, the party in default would provide a notice to the non-defaulting party, and neither party would have any such claims for damages against the other in respect of such non-performance or delay in performance. The terms of the contract would resume as soon as practicable after the force majeure event ceases.

### Management of Infrastructure Risk

NSIA Group adopts a cautious approach to infrastructure risk and avoids investments that are not thoroughly understood, or whose associated risks cannot be reasonably and objectively measured and managed. We proactively manage infrastructure risk by planning, identifying, assessing, mitigating, and controlling the risks to our projects. Key risk indicators have been defined for all infrastructure projects/investments and are tracked and monitored against their associated risk thresholds. Where there are deviations from the set thresholds, there is an immediate response to address them.

## 2. Investment Risk

- **Liquidity Risk:** Liquidity risk represents the potential for loss arising from the Authority's inability to meet its current or future commitments in total or when they are due, which could lead to the unplanned sale of securities in order to cover cash flow needs. This risk is exacerbated during times of economic uncertainty, when some investments could be substantially discounted due to lack of demand or market depth.

For the Stabilisation Fund, this risk is mitigated by maintaining a high percentage of liquid short-term assets, with a term to maturity of less than three years.

The Future Generations Fund is designed for the long term and, as such, it holds a high percentage of illiquid long-term assets, such as private equity investments. However, the fund seeks to maintain up to 50% of its assets in instruments redeemable within one year.

There are allocations in the Future Generations Fund and the Nigeria Infrastructure Fund that are yet-to-be deployed. The yet-to-be deployed allocations are held mostly in liquid instruments, limiting the authority's liquidity risk. As the Authority continues to invest in more sophisticated and illiquid products and infrastructure projects, liquidity risk will play a more prominent role. This is especially true for the Infrastructure Fund.

- **Portfolio Risk:** Portfolio risk represents the possibility that an investment portfolio may not achieve its objectives. There are several factors that contribute to portfolio risk.

While we take steps to minimise them, they can never be fully eliminated. We monitor portfolio risk using several metrics, including value at risk, exposure limits, and scenario analysis to monitor the impact of trades on risk exposures before the exposure and stress-testing of the portfolio with risk scenarios.

## 3. Market Risk

Market risk includes interest rates, exchange rates, capital market, and commodity price volatility. The market value of the financial instruments in NSIA is exposed to potential losses as a result of changes in market conditions.

We manage our market risk by diversifying exposures and managing the Authority's asset allocation to balance risk and reward. Risk management produces risk measures and monitors them to ensure that portfolios remain within the risk appetite approved by the Authority's Board. We use a variety of risk measures to estimate the size of potential losses for both moderate and more extreme market moves over short- and long-term horizons.

Risk measures used for shorter-term periods include value at risk and sensitivity metrics. For longer-term horizons, our primary risk measures are stress tests.

NSIA assessment of these risks and their impact on its portfolio are outlined below.

- **Commodity Price Risk:** This results from exposures to changes in spot prices, forward prices, and volatilities of commodities, such as grains, metals, crude oil, natural gas, etc.
- **Interest Rate Risk:** Interest rate movements directly affect the price of fixed-income instruments.

The Stabilisation Fund is exposed to interest rate risk. The average duration (a measure of the sensitivity of instrument prices to changes in the rates) of the portfolio at the end of 2022 stood at 0.98 years. The Authority has maintained a cautious approach given the uncertain interest rate environment in the US and has constructed a portfolio that is tilted towards the short end of the yield curve with an average duration significantly less than the three-year upper limit set in the Stabilisation Fund's Investment Policy Statement.

- **Equity Price Risk:** This results from exposure to changes in prices and volatilities of individual equities, baskets of equities, and equity indices. At the end of December 2022, NSIA had approximately 21.4% of the Future Generations Fund directly invested in the global equity markets.
- **Currency Rate Risk:** The value of the funds under NSIA management is significantly affected by exchange rate movements resulting from exposure to changes in spot prices, forward prices, and the volatilities of currency exchange rates. The effective currency of

NSIA is US dollars. However, due to statutory reporting requirements, the reporting currency is Naira. We are, therefore, significantly affected by the Nigerian Naira/US dollar exchange rate.

The Stabilisation, Future Generations, and Infrastructure Funds are mostly held in US dollars. This is not expected to change going forward for the Stabilisation Fund and Future Generations Fund. However, we do expect this to change significantly in the Infrastructure Fund, as implementation of the fund mandate progresses. Investments in the Infrastructure Fund are made in US dollars, while returns are primarily expected in Naira, which would increase the currency risk in the Infrastructure Fund over time.

#### 4. Credit Risk

Credit risk represents the potential for loss due to the default or deterioration in credit quality of a counterparty, an issuer of securities, or other instruments we hold. Our credit risk exposures are limited to deposits with banks and our holdings of fixed income securities. We have defined our counterparty risk limits with Nigerian banks and discount houses and use this as a guide to manage our credit risk exposures to these counterparties.

- **Portfolio Risk:** Portfolio risk represents the possibility that an investment portfolio may not achieve its objectives. There are a number of factors that contribute to portfolio risk. While we take steps to minimise them, they can never be fully eliminated. We monitor portfolio risk using a number of metrics, including value at risk, exposure limits, scenario analysis to monitor the impact of trades on risk exposures prior to exposure, and stress-testing of portfolio with risk scenarios.

#### 5. Operational Risk

NSIA defines operational risk as the risk of loss or other outcome arising as a result of failed or inadequate internal processes, people, systems, or external factors that are outside the Authority's control.

We seek to manage our operational risk through:

- active participation of all employees in proactively identifying and mitigating key operational risks across the Authority;
- instituting appropriate policies and procedures in compliance with applicable local and international standards, and implementing controls designed to prevent the occurrence of operational risk events; and
- independent monitoring of operational risk indicators and profile.

The end goal is to provide early warning signals of any deterioration in the Authority's system of internal controls, and ultimately to minimise and, where possible, eliminate the occurrence of negative financial and non-financial impacts on our business.

NSIA has adopted the use of three key framework methodologies and tools, namely: Risk and Control Self-Assessment Process, Risk Events and Incident Management, and Key Risk Indicator Monitoring. These frameworks aid the Authority in monitoring and reporting on operational risks run by NSIA.

#### Operational Risk Management Strategy

The central idea determining how the Authority manages its operational risk is to have a clear understanding of the operational risk events that may occur and to design and implement processes, activities and controls that can prevent, or mitigate, the effects of such events. Operational risk failures have been responsible for several well-publicised losses among fund managers with operations like ours, meaning that we closely monitor all operational risk exposures.

To achieve our broad operational risk objectives, NSIA ensures that:

- i. All operational risk management policies and procedures are documented and reflect leading practices.
- ii. Roles and responsibilities are communicated, agreed, and clearly understood by all members of staff.
- iii. Potential operational risk exposures arising from new outsourcing arrangements, infrastructure projects, external portfolio arrangements, and investments in new asset classes or Special Purpose Vehicles are monitored and managed.
- iv. All members of staff receive operational risk training appropriate to their role and level of responsibility.

#### Operational Risk Management Objectives

The objectives of the Authority's operational risk management are to:

- i. Establish and instil a proactive operational risk management culture among all staff.
- ii. Minimise losses arising from operational risk events.
- iii. Provide early warning signals of any deterioration in the internal control system.
- iv. Ensure operations run smoothly.
- v. Ensure that operations are conducted in accordance with applicable local and international regulations and requirements.

## Scope of the Operational Risk Management Framework

We have defined eight key operational risk categories, as depicted in the chart below, for more detailed and effective management.

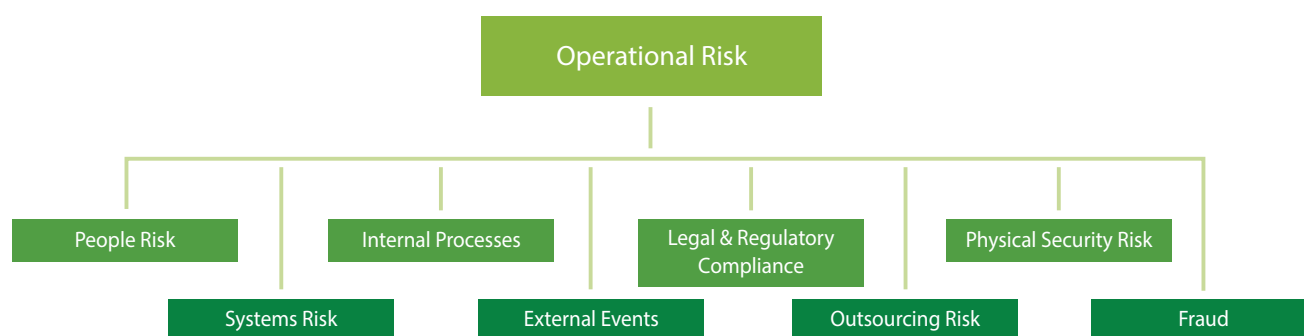


Figure 7: Operational Risk Management Structure

Operational risk in NSIA is categorised as follows:

- i. **Internal Process Risk:** the risk of a breakdown in processes as a result of either a complete absence, inadequacy, or failure of controls embedded in NSIA's operations. Examples of Internal Process Risk include deficiencies in monitoring the performance of portfolio managers, over-reliance on the representation of external resource providers, and failure in transactions or payments processes.
- ii. **People Risk:** the risk of operational failure driven specifically by factors attributable to human behaviour, as well as inadequate resourcing or recruitment processes supporting the business. Negligence, intentional circumvention of established controls, and key man risk all fall into this category.
- iii. **System Risk:** the risk that physical infrastructure, models, or other tools used by NSIA are inadequate for the proper running of its activities. Examples of system risks include power failures, slow or failed internet connection that impedes trade execution, data theft, theft/damage of hardware/equipment, virus attacks etc.
- iv. **External Risk:** this group includes risks brought about by events that are outside of the Authority's control, but which can have a material impact on its objectives. They include unfavourable political events, an unstable political landscape, major changes in domestic/international legal or regulatory structures, natural disasters, terrorism, etc.
- v. **Legal & Regulatory Compliance:** this is NSIA's potential exposure to legal penalties, financial forfeiture, and material loss resulting from its failure to act in accordance with relevant laws and regulations, internal policies, or best practices.
- vi. **Physical Security Risk:** risk to personnel, hardware, software, networks and data from actions and events that could cause serious loss or damage, such as fire, burglary, theft, and vandalism.
- vii. **Outsourcing Risk:** the risk to NSIA as a result of non-performance, or poor performance, by a service provider transferred under an outsourcing arrangement.
- viii. **Fraud:** the risk of unexpected financial, material, or reputational loss as a result of fraudulent action by people internal or external to NSIA.

We manage our operational risk through:

- The active participation of all employees in proactively identifying and mitigating key operational risks.
- Instituting appropriate policies and procedures in compliance with applicable local and international standards and implementing controls designed to prevent operational risk events occurring.
- Independent monitoring of operational risk indicators and profiles. Our end goal is to provide early warning signals of any deterioration in our internal control system and, ultimately, to minimise and eliminate any negative financial or non-financial impact on our business where possible.

### Financial Risk

Financial risk entails potential losses from counterparty credit, adverse movements in foreign currency rates, portfolio volatility, and equity and commodity prices.

**Credit Risk:** Credit risk arises from a potential loss in the event of default, deterioration, or change in the credit profile or quality of a client, counterparty, customer, or issuer of fixed income securities. The Authority's credit risk exposures are limited to deposits with banks and corporate bond instruments, commercial paper, loans, debt, and credit to corporate institutions.

We manage and monitor credit risk using set risk acceptance criteria and guidelines, and monitor credit exposure limits, concentration risk, and internal rating processes to assign risk scores and ratings to financial institutions, corporate entities, and project finance and structured purpose vehicle entities for infrastructure debt investments.

As credit profile and quality change with corresponding counterparty rating downgrades or upgrades as default risk changes, we monitor credit spread movements and the impact on credit portfolio exposure.

**Market Risk:** Market risk is the possibility that an investment portfolio may not achieve its objectives because of shifting market parameters, which include interest rates, foreign exchange, and commodities and equity prices. While there are several factors that contribute to portfolio market risk, we can take steps to minimise them, but they can never be fully eliminated.



In addition to reviewing market data, economic research, and risk analysis to keep abreast of changing market conditions and to gauge NSIA's risk exposure, we also use pre-trade governance and investment policy for authorised instruments, focus sectors, and areas of interest. Furthermore, we assess investment performance expectations, MTM reviews and valuation trend analysis, value at risk and expected loss over a specific holding period, stress testing, and scenario analysis to monitor the impact of trades on the portfolio's risk exposure, using risk scenarios in abnormal and stressed market conditions.

The risk assessment of private equity, venture capital, and hedge fund counterparties is based on multiple factors, including governance, competence, capacity, performance track record considering the nature of the investment, sector/country/political risk, and market and economic conditions.

**Interest Rate Risk:** This risk arises from changes in interest rate, yield curve, and volatility of the interest rates as key indicators such as inflation, interest rate levels generally, Fed stimulus packages, debt levels, GDP, jobs, consumer demand, economy, market conditions, and business environment change.

**Equity Price Risk:** This relates to the change in prices and volatility of individual equities, equity baskets (ETF), equity indices (FTSE 100, S&P 500, Dow Jones Industrial, MSCI Index, Nasdaq Composite) and other hedge funds, private equity, and venture capital valuation price adjustment. We mitigate this risk by ensuring the portfolio and funds are well diversified by investment themes, lifestyle, products, sector, industry, and the use of derivatives (Forwards, Futures, Options, and Swaps) as a hedging instrument.

**Commodity Price Risk:** This relates to volatility and changes in the price of crude oil, natural gas, fertiliser, electricity, steel,

and precious and base metals, which can result in financial loss. Factors that can influence commodity prices include consumer demand, producer supply, geopolitical factors, war, sanctions, seasons, weather, technology, market conditions, and supply disruptions.

NSIA mitigates this risk by purchasing upfront, entering sales and purchase contracts, and using hedging instruments such as Forwards, Futures, Options, Swaps, and options contracts.

**Liquidity Risk:** Liquidity risk represents the potential for loss arising from the Authority's inability to meet its current or future commitments in total, or when they are due, which could lead to the unplanned sale of securities to cover cash flow needs. This risk is exacerbated in times of stressed market conditions and economic downturn; when some investments are not actively traded; illiquid or lack of market price information because of substantially discounted instruments; and lack of demand.

The liquidity risk is mitigated in the Stabilisation Fund by maintaining a high percentage of liquid, short-term fixed deposit assets and high-quality US government treasury instruments with a term to maturity of less than three years. The Future Generations Fund is designed for the long term and holds a high percentage of illiquid long-term assets, such as private equity investments, but the fund portfolio includes fixed deposit and exchange-traded liquid equity instruments.

There are allocations in the Future Generations Fund and the Nigeria Infrastructure Fund, held mostly in liquid instruments to limit the Authority's liquidity risk, that are yet to be deployed. Illiquidity risk will feature more prominently as NSIA continues to invest in more sophisticated and illiquid products and infrastructure projects. This is particularly true of the Nigeria Infrastructure Fund.

# Consolidated and Separate Financial Statements

## for the year ended 31 December 2022

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## General Information

### Board of Directors

Name	Designation
Mr. Farouk Mohammed Gumel	Chairman
Mr. Uche Orji <sup>[1]</sup>	Managing Director
Mr. Aminu Umar-Sadiq <sup>[2]</sup>	Managing Director
Mr. Kolawole Owodunni <sup>[3]</sup>	Executive Director
Mrs. Olubisi Makoju <sup>[3]</sup>	Executive Director
Mr. Babatunde Sobamowo	Non-executive Director
Mr. Isiekwena Ikemefuna Louis	Non-executive Director
Mr. Ali Gona Kadugum	Non-executive Director
Mr. Oniyangi Kabir Sulaiman	Non-executive Director
Dr. Ogechi Paschal-Ejiogu	Non-executive Director

[1] Retired from the Board on 30 September 2022, following the expiration of his tenure as Managing Director

[2] Formerly Executive Director but appointed as the Managing Director effective 3 October 2022

[3] New Executive Director appointed to the Board on 3 October 2022.

### Registered office

**The Clan Place**  
4th Floor, Plot 1386A, Tigris Crescent  
Maitama  
Abuja.

### Auditor

**PricewaterhouseCoopers**  
Landmark Towers  
5B, Water Corporation Road  
Victoria Island  
Lagos.

### Secretary to the Authority

**Mrs. Ezinwa Okoroafor**

### Fund custodians

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

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

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

# Directors' Report

## 1 Financial statements

The directors of the Nigeria Sovereign Investment Authority ("NSIA") present their yearly report on the affairs of the Authority, together with the financial statements of the Authority and its subsidiaries (known as "the Group"), and independent auditor's report for the year ended 31 December 2022.

## 2 Principal activities

The Authority was established by the Nigeria Sovereign Investment Authority (Establishment etc.) Act, 2011 (NSIA Act) 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 Generations Fund (FGF). The Authority commenced operations in October 2012.

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

## 3 Operating results

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

	Group 31 December 2022 N'000	Authority 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2021 N'000
Interest and investment income	55,228,270	55,061,136	43,908,932	42,652,932
Net gain on financial assets	1,648,076	3,522,321	56,913,252	56,464,806
Net foreign exchange gain	44,226,646	38,484,622	45,774,912	45,800,056
Investment management and custodian fees	(1,665,396)	(1,295,292)	(1,406,810)	(1,244,122)
Impairment (charge)/write back on financial assets	(1,434,423)	(1,049,418)	544,789	(342,008)
Profit from infrastructure subsidiaries investments	2,266,056	-	1,431,245	-
Other income	7,080,082	7,048,722	4,305,732	4,259,916
Operating and administrative expenses	(8,220,582)	(5,799,153)	(6,971,632)	(4,976,463)
Interest expense	-	-	(3,058)	(3,058)
Share of profit of investments accounted for using the equity method	3,223,076	-	4,038,065	-
<b>Profit before taxation</b>	<b>102,351,805</b>	<b>95,972,938</b>	<b>148,535,427</b>	<b>142,612,059</b>
<b>Total comprehensive income for the year</b>	<b>96,962,283</b>	<b>96,249,710</b>	<b>146,979,136</b>	<b>142,953,067</b>

## NSIA Sustainability and Technology Outlook

### NSIA and its sustainability efforts

Globally, Sovereign Wealth Funds ("SWFs") are well positioned to drive energy transition and are increasingly playing an important role in sustainability. With significant assets under management and the ability to influence corporate behaviour towards sustainable investing, SWFs are enhancing their environment, social, and governance (ESG) frameworks and capabilities by incorporating ESG factors in their investment decisions in order to achieve better long-term returns and contribute to the sustainable development and energy transition goals of their respective nations.

Responsible and sustainable investment requires robust ESG governance with a sustainable development-focused strategy. NSIA recognises the need to ensure that strong ESG principles and practices run across all our investment processes while also being at the heart of all our operations and strategy. This is imperative as we seek to continue delivering environmentally friendly and socially impactful investments with long-term value that aligns with our mandate and that play a key role in Nigeria's energy transition goal of achieving net-zero greenhouse gas (GHG) emissions by 2060.

To this end, NSIA has developed an ESG strategy and commenced developing an ESG Framework (Management System), with the aim of embedding ESG principles into our operations and strengthening our investment processes to support climate resilience, manage ESG risks, and measure our sustainability impact. We will develop our in-house capacity and deploy the requisite tools and frameworks to address ESG risks, taking into consideration best industry practices. By doing so, we are enriching NSIA investment appraisal framework to maintain carbon neutrality across our portfolio of investments. Beyond institutionalising ESG, NSIA is forging strategic partnerships to support the actualisation of Nigeria's Nationally Determined Contributions (NDCs) and net-zero ambitions.



In 2022, NSIA became a member of the Africa Sovereign Investors Forum (ASIF), a multilateral platform of African SWFs dedicated to enhancing cooperation among its members with the objective of unlocking investment opportunities and mobilising capital for the benefit of the continent. Through ASIF, NSIA is able to facilitate stronger collaborations on project development, mobilise capital to fund resilient, green, and sustainable infrastructure, and identify investment opportunities to promote Africa's infrastructure development and industrialisation.

As a signatory to the One Planet Sovereign Wealth Funds, NSIA remains committed to the principles of alignment, ownership, and integration, to accelerate the integration of climate change analysis into the management of our assets.

### **NSIA and the Quest to Strengthen the Tech Ecosystem**

Between 2015 and 2020, venture capital (VC) equity investments in the African technology space grew significantly, almost as fast as in Latin America and outpacing venture capital funding growth in the United States, which doubled in the same period. This was partly characterised by an explosion of new technology ventures, the steady influx of impressive funding rounds, and high-profile transactions like Stripe's US\$200 million purchase of Paystack, a Nigerian financial technology company. Jumia Group, Africa's largest e-commerce operator, sought to raise US\$196 million through an initial public offering (IPO). But its stock soared, valuing the company at over US\$3 billion.

These developments sparked greater investor appetite in the African technology ecosystem. Combined with Africa's expanding young population, the continent earned its name as the "next tech frontier," with Nigeria, Kenya, South Africa, and Egypt emerging as epicentres of the technology boom.

These success stories, however, belie Nigeria's growing problem of weak innovation. The country's lack of investment in research and development (R&D) is the reason it continues to be a laggard in the Global Innovation Index (GII) rankings. Nigeria was ranked 121st out of 131 countries in the GI's 2020 report – down seven places from its 114th position in 2019.

The theme of the 2020 GI report, "Who Will Finance Innovation?," highlights the importance of financing innovation, particularly in the post-COVID-19 era. The report devotes a chapter to the role of SWFs and innovation in an era of uncertainty. It notes that SWFs have emerged as important sources of capital compared to traditional VC firms, concluding there is a key role SWFs can play in the tech innovation landscape going forward.

NSIA's Board approved the establishment of a US\$200 million Innovation Fund to catalyse developing the technology and innovation ecosystem in Nigeria. The Innovation Fund, which is to be funded with a seed commitment of US\$25 million by NSIA, aims to do the following:

- Invest in mid-to-late-stage technology and innovative solutions that leverage the intellectual capital of Nigerian enterprises;
- Partner with NSIA's VC GPs to co-invest in mid-to-late-stage innovative solutions; and
- Invest in critical digital infrastructure for growing the technology industry – including cable landing stations, data centres, and innovation hubs.

In line with the Fund's objectives, the need to identify, nurture, and engage with a steady pipeline of these digital technology solutions from the early stages spurred the development of the NSIA Prize for Innovation Programme. This programme is a multi-year initiative designed to recognise and reward Nigerian innovators for outstanding work in developing technological solutions. The programme will adopt a three-staged competition round at the end of which ten finalists will emerge and win different prizes.

The Authority will continue to take steps to build a sustainable organisation by being accountable for reducing and reporting its own carbon footprint and deepening its technology innovation strategies.

## **4 Objectives**

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 objectives.

## **5 Governance and Management**

NSIA 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 thirty-six 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

Signed on 24 March 2023

## Statement of Directors' Responsibilities

In relation to the consolidated and separate financial statements for the year ended 31 December 2022:

The Nigeria Sovereign Investment Authority Act, 2011 (NSIA Act) requires the preparation of consolidated and separate financial statements for each financial year that give a true and fair view of the state of the financial affairs of the Authority and the Group at the end of the year and of their profit or loss. The responsibilities of the directors include:

- a. ensuring that the Authority and the Group keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Authority and the Group and comply with the requirements of the NSIA Act;
- b. designing, implementing, and maintaining internal controls 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's and the 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 annual consolidated and separate 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 NSIA Act.

The directors are of the opinion that the financial statements provide a true and fair view of the financial affairs of the Authority and the Group, including their 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. Farouk Mohammed Gumel**

Chairman

FRC/2021/003/00000024209



**Mr. Aminu Umar-Sadiq**

Managing Director

FRC/2021/003/00000025004



## Independent Auditor's Report

### To the Members of Nigeria Sovereign Investment Authority Report on the Audit of the Consolidated and Separate Financial Statements

#### Overview

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Nigeria Sovereign Investment Authority ("the Authority") and its subsidiaries (together "the group") as at 31 December 2022, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Nigeria Sovereign Investment Authority Act and the Financial Reporting Council of Nigeria Act.

#### What we have audited

Nigeria Sovereign Investment Authority's consolidated and separate financial statements comprise:

- the consolidated and separate statements of comprehensive income for the year ended 31 December 2022;
- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of changes in equity for the year that ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

#### Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report are the General information, Directors' report, Statement of directors' responsibilities, Value added statement and Five-year financial summary, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibility of the Directors and those Charged with Governance for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Nigeria Sovereign Investment Authority Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether





due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsible for the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Tolu Adeleke*

For: **PricewaterhouseCoopers**

Chartered Accountants  
Lagos, Nigeria

Engagement Partner: Tolulope Adeleke  
FRC/2014/ICAN/00000008319  
30 March 2023



## Consolidated and Separate Financial Statements

### Statements of Comprehensive Income for the Year Ended 31 December 2022

	Notes	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Interest income on financial assets at amortised cost	9	9,478,972	5,658,521	9,263,076	5,591,884
Investment income	10	4,095,588	4,542,169	4,144,350	3,352,806
Interest income on financial assets at FVTPL	11	41,653,710	33,708,242	41,653,710	33,708,242
Net gain on financial assets at FVTPL	12	1,648,076	56,913,252	3,522,321	56,464,806
Net foreign exchange gain	13	44,226,646	45,774,912	38,484,622	45,800,056
<b>Total operating income</b>		<b>101,102,992</b>	<b>146,597,096</b>	<b>97,068,079</b>	<b>144,917,794</b>
Investment management fees		(1,457,010)	(1,218,136)	(1,086,906)	(1,055,765)
Local custodian fees		(55,519)	(44,264)	(55,519)	(43,947)
Global custodian fees		(152,867)	(144,410)	(152,867)	(144,410)
<b>Total investment management and custodian fees</b>		<b>(1,665,396)</b>	<b>(1,406,810)</b>	<b>(1,295,292)</b>	<b>(1,244,122)</b>
Impairment (charge)/write back on financial assets/investments	14	(1,434,423)	544,789	(1,049,418)	(342,008)
<b>Total operating profit</b>		<b>98,003,173</b>	<b>145,735,075</b>	<b>94,723,369</b>	<b>143,331,664</b>
Infrastructure operating revenue	15	3,186,401	2,007,165	-	-
Infrastructure operating expenses	16	(920,345)	(575,920)	-	-
<b>Operating profit/(loss) from infrastructure subsidiaries</b>		<b>2,266,056</b>	<b>1,431,245</b>	<b>-</b>	<b>-</b>
Fiduciary and Other income	17	7,080,082	4,305,732	7,048,722	4,259,916
Depreciation and amortisation	18	(984,856)	(918,759)	(374,271)	(303,857)
Operating and administrative expenses	19	(7,235,726)	(6,052,873)	(5,424,882)	(4,672,606)
Interest expense	20	-	(3,058)	-	(3,058)
Share of profit of investments accounted for using the equity method	27	3,223,076	4,038,065	-	-
<b>Profit before tax from continuing operation</b>		<b>102,351,805</b>	<b>148,535,427</b>	<b>95,972,938</b>	<b>142,612,059</b>
Taxation	31.3	(834)	(1,743)	-	-
Profit for the year from continuing operations		102,350,971	148,533,684	95,972,938	142,612,059
Profits from discontinued operation	26.2	-	5,026,703	-	-
<b>Profit for the year</b>		<b>102,350,971</b>	<b>153,560,387</b>	<b>95,972,938</b>	<b>142,612,059</b>
<b>Other comprehensive income:</b>					
<b>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</b>					
Share of other comprehensive income of associates and joint ventures	27	(17,961)	(210,446)	-	-
Exchange differences on translating foreign operations		(5,939,450)	(7,460,048)	-	-
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</b>					
Fair value changes on equity investments designated at FVOCI		568,723	1,089,243	276,772	341,008
<b>Net other comprehensive income</b>		<b>(5,388,688)</b>	<b>(6,581,251)</b>	<b>276,772</b>	<b>341,008</b>
<b>Total comprehensive income for the year</b>		<b>96,962,283</b>	<b>146,979,136</b>	<b>96,249,710</b>	<b>142,953,067</b>
<b>Profit attributable to:</b>					
Owners of NSIA		102,374,321	153,617,292	95,972,938	142,612,059
Non-controlling interest		(23,350)	(56,905)	-	-
		<b>102,350,971</b>	<b>153,560,387</b>	<b>95,972,938</b>	<b>142,612,059</b>
<b>Total comprehensive income attributable to:</b>					
Owners of NSIA		96,985,633	147,036,041	96,249,710	142,953,067
Non-controlling interest		(23,350)	(56,905)	-	-
		<b>96,962,283</b>	<b>146,979,136</b>	<b>96,249,710</b>	<b>142,953,067</b>

The accompanying notes on pages 66 to 144 form an integral part of these consolidated and separate financial statements.

## Consolidated and Separate Financial Statements

### Statements of Financial Position as of 31 December 2022

	Notes	Group 31 December 2022 ₦'000	Group 31 December 2021 ₦'000	Authority 31 December 2022 ₦'000	Authority 31 December 2021 ₦'000
<b>Assets</b>					
Cash and cash equivalents	21	60,185,675	269,602,956	59,273,853	268,782,415
Investment securities	22	628,070,376	571,633,505	576,575,102	536,385,478
Loans and receivables	23	32,610,185	15,467,411	23,360,168	16,850,542
Restricted balances and other assets	24	278,489,858	340,764,438	352,813,040	362,353,574
Inventories	25	198,013	142,746	-	-
Investment in subsidiaries	26	-	-	9,000	9,000
Investments accounted for using the equity method	27	27,766,212	24,680,009	12,278,115	12,278,115
Right of use asset	28	173,662	251,270	6,751	73,414
Property and equipment	29	5,119,399	5,161,049	938,493	513,481
Intangible assets	30	95,103	125,695	49,992	84,820
		<b>1,032,708,483</b>	<b>1,227,829,079</b>	<b>1,025,304,514</b>	<b>1,197,330,839</b>
<b>Total assets</b>		<b>1,032,708,483</b>	<b>1,227,829,079</b>	<b>1,025,304,514</b>	<b>1,197,330,839</b>
<b>Liabilities</b>					
Other liabilities	31	16,019,550	308,102,429	19,733,609	288,009,644
<b>Total liabilities</b>		<b>16,019,550</b>	<b>308,102,429</b>	<b>19,733,609</b>	<b>288,009,644</b>
<b>Equity</b>					
Equity attributable to equity holders of parent					
Contribution by Government	32.0	347,375,000	347,375,000	347,375,000	347,375,000
Share Premium		1,994,698	1,994,698	-	-
Retained earnings	32.1	668,493,603	565,623,211	652,209,792	556,236,854
Fair value reserve	32.2	5,944,329	5,889,638	5,986,113	5,709,341
Foreign currency translation reserve	32.3	(6,969,557)	(1,030,107)	-	-
		1,016,838,073	919,852,440	1,005,570,905	909,321,195
Non-controlling interest	32.4	(149,140)	(125,790)	-	-
		<b>1,016,688,933</b>	<b>919,726,650</b>	<b>1,005,570,905</b>	<b>909,321,195</b>
<b>Total equity and liabilities</b>		<b>1,032,708,483</b>	<b>1,227,829,079</b>	<b>1,025,304,514</b>	<b>1,197,330,839</b>

Signed on behalf of the Board of Directors on 24 March 2023 by:



**Mr. Farouk Mohammed Gumel**  
Chairman  
FRC/2021/003/00000024209



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

Additionally certified by:



**Mrs Olubisi Makoju**  
Executive Director, Corporate Services & Operations  
FRC/2014/ICAN/00000005765



**Mr Victor Sesere**  
Financial Controller  
FRC/2015/ICAN/00000012317

The accompanying notes on pages 66 to 144 form an integral part of these consolidated and separate financial statements.

## Statements of Changes in Equity for the Year Ended 31 December 2022

Group	Contribution by Government N'000	Share Premium 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 2021	347,375,000	1,994,698	6,429,941	5,010,841	412,005,919	(68,885)	772,747,514
Profit for the year	-	-	-	-	153,617,292	(56,905)	153,560,387
Currency translation differences	-	-	(7,460,048)	-	-	-	(7,460,048)
Fair value changes on equity investments designated at FVOCI	-	-	-	1,089,243	-	-	1,089,243
Share of other comprehensive income of associates and joint venture	-	-	-	(210,446)	-	-	(210,446)
<b>Total other comprehensive income for the year</b>	-	-	<b>(7,460,048)</b>	<b>878,797</b>	-	-	<b>(6,581,251)</b>
<b>Total comprehensive income for the year</b>	-	-	<b>(7,460,048)</b>	<b>878,797</b>	<b>153,617,292</b>	<b>(56,905)</b>	<b>146,979,136</b>
<b>Balance at 31 December 2021</b>	<b>347,375,000</b>	<b>1,994,698</b>	<b>(1,030,107)</b>	<b>5,889,638</b>	<b>565,623,211</b>	<b>(125,790)</b>	<b>919,726,650</b>

Group	Contribution by Government N'000	Share Premium 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
<b>Balance at 1 January 2022</b>	<b>347,375,000</b>	<b>1,994,698</b>	<b>(1,030,107)</b>	<b>5,889,638</b>	<b>565,623,211</b>	<b>(125,790)</b>	<b>919,726,650</b>
Profit for the year	-	-	-	-	102,374,321	(23,350)	102,350,971
Currency translation differences	-	-	(5,939,450)	-	-	-	(5,939,450)
Fair value changes on equity investments designated at FVOCI	-	-	-	72,652	496,071	-	568,723
Share of other comprehensive income of associates and joint venture	-	-	-	(17,961)	-	-	(17,961)
<b>Total other comprehensive income for the year</b>	-	-	<b>(5,939,450)</b>	<b>54,691</b>	<b>496,071</b>	-	<b>(5,388,688)</b>
Exchange differences on translating return of capital	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>(5,939,450)</b>	<b>54,691</b>	<b>102,870,392</b>	<b>(23,350)</b>	<b>96,962,283</b>
<b>Balance at 31 December 2022</b>	<b>347,375,000</b>	<b>1,994,698</b>	<b>(6,969,557)</b>	<b>5,944,329</b>	<b>668,493,603</b>	<b>(149,140)</b>	<b>1,016,688,933</b>

The accompanying notes on pages 66 to 144 form an integral part of these consolidated and separate financial statements.



## Statements of Changes in Equity for the Year Ended 31 December 2022

Authority	Contribution by Government N'000	Fair value reserve N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2021	347,375,000	5,368,333	413,624,795	766,368,128
Profit for the year	-	-	142,612,059	142,612,059
<b>Fair value changes on equity investments designated at FVOCI</b>	<b>-</b>	<b>341,008</b>	<b>-</b>	<b>341,008</b>
Total other comprehensive income for the year	-	341,008	-	341,008
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>341,008</b>	<b>142,612,059</b>	<b>142,953,067</b>
<b>Balance at 31 December 2021</b>	<b>347,375,000</b>	<b>5,709,341</b>	<b>556,236,854</b>	<b>909,321,195</b>

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 year	-	-	95,972,938	95,972,938
Fair value changes on equity investments designated at FVOCI	-	276,772	-	276,772
Total other comprehensive income for the year	-	276,772	-	276,772
Total comprehensive income for the year	-	276,772	95,972,938	96,249,710
<b>Balance at 31 December 2022</b>	<b>347,375,000</b>	<b>5,986,113</b>	<b>652,209,792</b>	<b>1,005,570,905</b>

The accompanying notes on pages 66 to 144 form an integral part of these consolidated and separate financial statements.

## Statement of Cash Flows for the Year Ended 31 December 2022

	Notes	Group 31 December 2022 ₦'000	Group 31 December 2021 ₦'000	Authority 31 December 2022 ₦'000	Authority 31 December 2021 ₦'000
<b>Cash flow from operating activities</b>					
Profit/(loss) before income tax		102,351,805	148,535,427	95,972,938	142,612,059
Profit/(loss) from discontinued operations	26.2	-	5,026,703		
<b>Profit before income tax including discontinued operations</b>		102,351,805	153,562,130	95,972,938	142,612,059
<b>Adjustments to reconcile profit/(loss) before tax to net cash flow from operating activities:</b>					
Depreciation of PPE and right of use assets	18	914,529	819,939	254,536	267,393
Amortisation of intangible assets	18	70,327	98,820	34,828	36,464
Interest income	9&11	(9,884,014)	(6,430,320)	(9,668,118)	(6,363,683)
Investment income	10	(4,095,588)	(4,542,169)	(4,144,350)	(3,352,806)
Interest income on open market operation bills	11	(41,248,668)	(32,936,443)	(41,248,668)	(32,936,443)
Unrealised gain/(loss) on financial instruments at FVTPL	12.1	27,917,808	(37,347,014)	26,043,564	(36,898,568)
Impairment charge/(write-back)	14	1,434,423	(544,789)	1,049,418	342,010
Interest expense	20	-	3,058	-	3,058
Share of profit/(loss) from associate and joint venture	27	(3,223,076)	(4,038,065)	-	-
Net foreign exchange gains	13	(44,226,646)	(45,774,912)	(38,484,622)	(45,800,056)
<b>Movements in operating assets/ liabilities:</b>					
Inventories	25	(55,267)	9,803	-	-
Other assets	24	59,720,824	(104,583,664)	13,269,634	(137,891,938)
Other liabilities	31	(292,032,229)	99,080,420	(268,190,435)	131,288,678
<b>Cash (used) in/generated from operations</b>		<b>(202,355,772)</b>	<b>17,376,794</b>	<b>(225,111,275)</b>	<b>11,306,167</b>
Tax paid	31.3	-	(1,743)	-	-
<b>Net cash used in/ from operating activities</b>		<b>(202,355,772)</b>	<b>17,375,051</b>	<b>(225,111,275)</b>	<b>11,306,167</b>
<b>Cash flows from investing activities</b>					
Net Purchase of property and equipment	29	(658,854)	(472,640)	(598,528)	(239,430)
Addition to right of use assets	28	(14,357)	(126,185)	(14,357)	(126,185)
Purchase of other intangible assets	30	(39,735)	(10,971)	-	-
Proceeds from sale of equity instruments at fair value		2,591,390	2,129,374	-	2,129,374
Purchase of equity instruments at fair value		-	(100,000)	-	(100,000)
Investment in financial assets carried at FVTPL		(84,431,356)	(126,767,066)	(68,370,101)	(118,292,344)
Proceeds from sale/redemption of financial assets carried at FVTPL		109,038,273	75,210,523	106,895,997	71,653,975
Purchases of open market operation and treasury bills		(226,031,222)	(299,840,138)	(226,031,222)	(299,840,138)
Maturity of open market operation and treasury bills		216,960,388	452,330,009	216,960,388	452,330,008
Investment in financial assets carried at amortised cost		(126,213,142)	(74,114,777)	(130,909,206)	(86,677,481)
"Proceeds from redemption of financial assets carried at amortised cost"		67,020,481	59,748,729	82,849,530	73,207,084
Investment and interest income received		29,816,500	19,551,342	29,816,501	19,551,342
Dividend received		1,000,628	239,825	1,000,629	239,825
Investments in joint ventures/associates	27	-	(1,663,125)	-	(1,663,125)
<b>Net cash generated/ (used) in investing activities</b>		<b>(10,961,006)</b>	<b>106,114,900</b>	<b>11,599,631</b>	<b>112,172,904</b>
<b>Cash flows from financing activities</b>					
Payment of principal portion of lease liabilities		(85,600)	(54,942)	(85,600)	(54,942)
Interest paid		-	(3,058)	-	(3,058)
<b>Net cash (used)/generated in financing activities</b>		<b>(85,600)</b>	<b>(58,000)</b>	<b>(85,600)</b>	<b>(58,000)</b>

	Notes	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
<b>Net cash movement for the period</b>		(213,402,378)	123,431,951	(213,597,244)	123,421,071
Cash and cash equivalents at beginning of period		269,602,956	145,257,520	268,782,415	144,447,965
Net exchange gains/(losses) on cash and cash equivalents		3,985,097	913,485	4,088,682	913,379
<b>Cash and cash equivalents at period end</b>		<b>60,185,675</b>	<b>269,602,956</b>	<b>59,273,853</b>	<b>268,782,415</b>
<b>Cash and cash equivalents comprise:</b>					
Cash in hand		21,396	107,362	2,900	4,592
Bank balances		14,093,317	265,167,097	13,199,991	264,449,326
Money market placements		46,070,962	4,328,497	46,070,962	4,328,497
<b>Total cash and cash equivalents</b>		<b>60,185,675</b>	<b>269,602,956</b>	<b>59,273,853</b>	<b>268,782,415</b>

The accompanying notes on pages 66 to 144 form an integral part of these consolidated and separate financial statements.

# 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 set up by the Nigeria Sovereign Investment Authority Act, which was signed in May 2011 and was allocated an initial US\$1 billion in seed capital. The Authority has received three additional capital contribution tranches totalling US\$750 million after the initial contribution. The Authority commenced operations in October 2012.

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

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

Fund	Investment managers
Stabilisation Fund (SF)	UBS Global Asset Management Limited, Smith Graham & Co, Income Research + Management, Lombard Odier, and Ninety One Global Strategy Fund.
Nigeria Infrastructure Fund (NIF)	In-house Management Team, and 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, 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, and UBS.

## 2 Structure and content

The financial statements comprise:

- A statement of financial position at the end of the year;
- A statement of comprehensive income for the year;
- A statement of changes in equity for the year;
- A statement of cash flows for the year;
- Notes, comprising a summary of significant accounting policies and other explanatory information.

## 3 Basis of preparation

### 3.1 Statement of compliance

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

### 3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- \* Financial assets measured at fair value through other comprehensive income (FVOCI)
- \* Financial assets and liabilities measured at amortised cost
- \* Financial assets measured at fair value through profit or loss (FVPL)

### 3.3 (A) functional and presentation currency

These financial statements are presented in Naira. All financial information presented in Naira has been rounded to the nearest thousands, except otherwise indicated. The currency of the primary economic environment of the Authority (that is, functional currency) is the Nigerian Naira.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Group's presentation currency is the Naira.

### (B) foreign currency transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement,



except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'Finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within "Net exchange gains".

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measured at fair value, such as equities classified as financial assets at FVTOCI, are included in other comprehensive income.

### (c) Group's companies

The results and financial position of all the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

### 3.4 Changes in accounting policy

The Group has consistently applied the accounting policies as set out in the consolidated financial statements to all periods presented on the consolidated financial statements.

The Group has adopted the following new standards and amendments including any consequential amendments to other standards with initial date of application of 1 January 2022.

### 3.5 New standards, amendments, and interpretations

#### 3.5.1 Standards and interpretations effective and adopted in the current year

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### Amendment to IAS 16 – Property, Plant, and Equipment

The IASB issued amendment to IAS 16 – Property, Plant, and Equipment, which is effective for annual reporting periods beginning on or after 1 January 2022. The amendment prohibits the deduction from the cost to an item of property, plant, and equipment proceeds of the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity should recognise the sale proceeds and related production cost of those items in profit or loss.

However, for the sale of items that are not part of a company's ordinary activities, the amendments require the company to:

- disclose separately the sales proceeds and related production cost recognised in profit or loss; and
- specify the line items in which such proceeds and costs are included in the statement of comprehensive income.

This disclosure is not required if such proceeds and costs are presented separately in the statement of comprehensive income. The amendment applies to annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendment is not expected to have any impact on the Group.

### Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and have no impact on the consolidated financial statements of the Group.

### Amendment to IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets

The IASB published amendment to IAS 37 – Provisions,

Contingent Liabilities, and Contingent Assets in May 2020. The amendment, which is effective for annual reporting periods beginning on or after 1 January 2022, specifies the costs an entity needs to include when assessing whether a contract is onerous. At the date of initial application, the cumulative effect of applying the amendment is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

The amendment clarifies that the costs that relate to a contract comprise both incremental costs of fulfilling the contract and an allocation of other direct costs related to the contract activities. The amendment is not expected to have any material impact on NSIA Group.

#### **Amendments to IFRS 16 COVID-19-Related Rent Concessions**

On 28 May 2020, the IASB issued COVID-19-Related Rent Concessions – amendments to IFRS 16 Leases.

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting. This relief applies specifically to rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19-related rent concession from a

lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The practical expedient introduced in the 2020 amendments only applies to rent concessions for which any reduction in lease payments affects solely payments originally due on or before 30 June 2021. If the Board had taken no further action, the practical expedient would have expired in a few months. The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated. As a result, lessors and lessees are negotiating rent concessions that extend beyond 30 June 2021. The Board has, therefore, extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

The amendments apply to annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted. These amendments had no impact on the consolidated financial statements of the Group as the Group is not a party to such concession agreements.

#### **2018-2020 cycle (issued in May 2020)**

<b>IFRS 1 First-time Adoption of International Financial Reporting Standards</b>	<b>Subsidiary as a first-time adopter</b> <ul style="list-style-type: none"> <li>The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.</li> <li>An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.</li> </ul>
<b>IFRS 9 Financial Instruments</b>	<b>Fees in the '10 per cent' test for derecognition of financial liabilities</b> <ul style="list-style-type: none"> <li>The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.</li> <li>An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.</li> <li>An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.</li> </ul>
<b>Illustrative Examples accompanying IFRS 16 Leases</b>	<b>Lease incentives</b> <ul style="list-style-type: none"> <li>The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.</li> </ul>

**IAS 41 Agriculture****Taxation in fair value measurements**

- The amendment removes the requirement in paragraph 22 of IAS 41 that entities should exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.
- An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted.

**3.5.2 Standards and interpretations issued but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

**IFRS 17 Insurance Contracts and Amendments to IFRS 17**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance, and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

After several months of redeliberations, the IASB has published the final amendments to IFRS 17 Insurance Contracts, which address implementation challenges in seven areas of IFRS 17.

- Scope changes for certain credit cards and loans that provide insurance coverage.
- Accounting for investment services in an insurance

contract.

- Allocating acquisition cash flows that relate to future contract renewals.
- Mitigating the financial risk of direct participating contracts.
- Presentation of insurance contract assets and liabilities.
- Reinsurance of onerous contracts.
- Accounting for acquired claims liabilities on transition.

None of these amendments have any implications in the books of the Group.

**Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice, and whether existing loan agreements may require renegotiation.

**Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies**

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2: Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies. The amendments also add guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosure. The

amendments are effective from 1 January 2023 but may be applied earlier. The amendment is not expected to have any material impact on the Group.

#### **Amendments to IAS 8 – Definition of Accounting Estimate**

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments. The amendment does not have any material impact on the Group.

#### **Amendments to IAS 12 Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction**

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

The amendments do not have any impact on the Group.

## **4 Significant accounting policies**

The accounting policies set out below were adopted by the Group in the presentation of these financial statements.

### **4.1 Consolidation**

#### **(a) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

#### **Acquisition-related costs are expensed as incurred.**

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between the Group's companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

#### **(b) Change in ownership interest in subsidiaries without loss of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on



disposals to non-controlling interests are also recorded in equity.

**(c) Disposal of subsidiaries**

When the Group ceases to have control over an entity, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

**(d) Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of investment in the associate and its carrying value and recognises the amount adjacent to "share of profit/(loss) of associates" in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's

interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

**(e) Joint arrangements**

Under IFRS 11 – Joint Arrangements, investments are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only joint ventures.

**i) Joint operations**

An entity that has an investment in joint operations recognises its direct right to the assets, liabilities, revenues, and expenses of the joint operations and its share of any jointly held or incurred assets, liabilities, revenues, and expenses.

**ii) Joint ventures**

Interests in joint ventures are accounted for using the equity method at the Group's financial statements level (see (f) below), after initially being recognised at cost in the separate financial statements.

The Authority has investments in only joint ventures. There were no investments in joint operations as at the end of the financial year.

**(f) Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment.

#### **Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Authority.

When the Group ceases to consolidate or equity-accounts for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

#### **4.2 Interest income and interest expense**

Interest income and expense on financial assets are recognised in profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

Interest income from financial assets at fair value through profit or loss are disclosed separately in the statement of comprehensive income as "interest income on instruments measured at FVTPL".

#### **4.3 Investment income**

Investment income consists of dividends and income earned on the Group's equity, fund investments, and fixed income products.

#### **4.4 Transaction costs**

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction costs are expensed in the income statement. They include

fees and commissions paid to agents, custodians, and advisers.

#### **4.5 Net gain from financial instruments at fair value through profit or loss**

Net gain from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but excludes interest and dividend income, and dividend expense on short positions.

#### **4.6 Income tax expense**

NSIA Act exempts the Authority from the provisions of any and all taxes, fees, imports or similar fiscal laws or regulations of the Federal Government, State Governments, Federal Capital Territory, Local Government and Area councils of the Federal Republic of Nigeria. The Authority is, however, mandated to pay tax on behalf of its employees and suppliers.

Dividend and interest income received by the Authority may be subject to withholding tax imposed in the country of origin. Thus, the investment income accruing to the Authority is gross of such taxes and the related withholding tax expense is treated as an expense in the income statement.

Subsidiaries and other affiliates in Nigeria that are wholly owned subsidiaries incorporated outside Nigeria are subjected to taxes based on the territories of operations and this is shown in the Group.

#### **4.7 Financial assets and financial liabilities**

##### **4.7.1 Recognition and initial measurement**

The Group initially recognises cash and bank balances, money market placements, investment securities, other financial assets, other liabilities, and borrowings on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to its acquisition or issue.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### **4.7.2 Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**(i) Business model assessment**

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Authority's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume, and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held either to collect contractual cash flows or to sell financial assets.

**(ii) Assessment as to whether contractual cash flows are solely payments of principal and interest**

In this case, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk and other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;

- terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g., periodical reset of interest rates.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**Financial liabilities**

Financial liabilities are measured at amortised cost, or fair value through profit or loss.

**4.7.3 Subsequent measurement**

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost, depending on their classification.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income, and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income. Interest income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in net foreign exchange gains and impairment expenses are presented as separate line item in the statement of profit or loss.

- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income in the period in which it arises.

#### **Equity instruments**

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other income in the statement of profit or loss and other comprehensive income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

All financial assets other than those measured as described above are measured at FVPL.

#### **Financial liabilities**

The Authority classifies its financial liabilities as measured at amortised cost and fair value through profit or loss.

#### **4.7.4 Derecognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Authority neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Authority is recognised as a separate asset or liability in the statement of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

#### **4.7.5 Amortised cost measurement**

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation

using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

#### **4.7.6 Fair value measurement**

The Group measures financial instruments such as private equity investment at fair value at each balance sheet date.

Fair value is the price that will be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a market for a financial instrument is not active, the Group establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses, and option pricing models.

The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e., the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different from its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases, the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Subsequent to initial recognition, the fair values of financial instruments are based on quoted market prices or dealer price quotations for financial instruments traded in active markets. If the market for a financial asset is not active or the instrument is unlisted, the fair value is determined by using applicable valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models, and valuation techniques commonly used by market participants.

Where discounted cash flow analyses are used, estimated cash flows are based on management's best estimates and the discount rate is a market-related rate at the reporting date from a financial asset with similar terms and conditions. Where pricing models are used, inputs are based on observable market indicators at the reporting date and profits or losses are only recognised to the extent that they relate to changes in factors that market participants will consider in setting a price.

#### **4.7.7 Determination of fair values**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **4.7.8 Investment in equity and debt securities**

The fair value of equity and debt securities is determined by reference to their quoted closing bid price at the reporting date. The fair value of financial assets measured at amortised cost is determined for disclosure purposes only and are determined by reference to the quoted closing bid price at the reporting date.

#### **4.7.9 Investment in private equity funds**

The fair value of the investments held in one of the Group's subsidiaries are recognised at fair value determined using the net asset valuation method.

This is done by obtaining:

- i. the valuation of the Investee Fund's underlying investments;
- ii. the value date of the net asset value (NAV) provided;
- iii. cash flows (calls/distributions) since the latest value date; and
- iv. the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the Investee Fund's General Partner.

#### **4.7.10 Investment in fixed income products**

The Group has classified some investments as fixed-income security during the financial year. Fixed income securities are debt securities, which pay a fixed amount of interest in the form of coupon payments to investors. The interest payments are typically made periodically while the principal invested is repaid to the investor at maturity. Income is recognised on this investment when the interest payments are earned and not till when they are made or received.

#### **4.7.11 Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

#### **4.7.12 Impairment of financial assets**

See credit risk disclosures (Note 6.2.4) for details on impairment of financial assets

#### **4.7.13 Impairment of non-financial assets**

The carrying amounts of the Authority's non-financial assets other than investment property and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset of the Group that generates cash flows, which are largely independent from other assets of the Group. Impairment losses recognised in



profit or loss in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (Group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

### Trade payables

Trade payables are obligations that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 4.8 Cash and cash equivalents

Cash and cash equivalents comprise fixed deposits with banks, and highly liquid financial instruments with original maturities of less than three months from the acquisition date, which are subject to insignificant risk of changes in their fair value, and are used by the Authority in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

## 4.9 Property and equipment

### 4.9.1 Initial recognition

All items of property and equipment are initially recognised at cost. Cost includes the value of consideration exchanged, or fair value in the case of donated or subsidised assets, and those costs directly attributable to bringing the item to working condition for its intended use.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate

items (major components) of property and equipment.

### 4.9.2 Subsequent costs

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the expense of replacing a portion of a property or equipment item within its carrying amount if it is likely that the future economic benefits associated with that part will accrue to the Authority and if its cost can be reliably measured. The carrying amount of the replaced part is derecognised.

The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

### 4.9.3 Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The estimated useful lives for the current and comparative period are as follows:

Assets	Annual depreciation rate
Leasehold improvements	Over the shorter of the useful life of the item or lease period
Leasehold land	Over the lease period
Buildings	40 years
Plant and Machinery	10 years
Furniture and fittings	5 years
Assets under Construction*	Not depreciated
Motor vehicles	4 years
Computer equipment	3.3 years
Office equipment	4 years

\*Assets under Construction represents costs incurred on assets that are not available for use. On becoming available for use, the related amounts are transferred to the appropriate category of property and equipment for appropriate application of depreciation methods.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

### 4.9.4 Derecognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognised.

## 4.10 Intangible assets – software

Software acquired by the Authority is stated at cost,

less accumulated amortisation and accumulated impairment losses. Software is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the software can be measured reliably. Expenditure that forms part of the cost of software that meets the recognition criteria are capitalised as part of the software. Software is accounted for using the cost model. After initial recognition, the software is carried at cost, less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 3 years, from the date that it is available for use. The amortisation method and useful life of software are reassessed at each financial year end and adjusted if appropriate.

#### 4.11 Inventory

Inventories are valued at the lower of cost and net realisable value. The cost of inventories includes expenditures incurred in acquiring the inventories, and production or conversion costs. In the case of manufactured inventory and work in progress, cost includes an appropriate share of production overheads based on normal activity level. The cost of the inventories is measured using the weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling.

Impairment loss on inventories is recognised in cost of sales in the year in which they occur while subsequent recoveries on the impairment are recognised in other income in the year in which the recoveries are made.

#### 4.12 Contingencies

##### 4.12.1 Contingent assets

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset is disclosed when an inflow of economic benefit is probable. When the realisation of income is virtually certain, then the related asset is not a contingent and its recognition is appropriate.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

##### 4.12.2 Contingent liabilities

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed

only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. A provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable is recognised, except in the extremely rare circumstances where no reliable estimate can be made. Contingent liabilities are assessed continually to determine whether an outflow of economic benefit has become probable.

#### 4.13 Employee benefits

##### 4.13.1 Post-employment benefits

###### Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due.

###### Pension Scheme

The Authority operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act 2014. The employee's and the employer's contributions are 8% and 10%, respectively of each of the qualifying employee's salary. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the period when the employees have rendered service entitling them to the contributions. Contributions to a defined contribution plan, which are payable more than 12 months after the end of the period in which employees render the service, are discounted to their present value as of the reporting date.

##### 4.13.2 Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Authority has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### 4.14 Revenue

Revenue is defined as income arising in the course of an entity's ordinary activities.

Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to the customer. An asset

is transferred when (or as) the customer obtains control of that asset.

The Group determines whether a performance obligation is satisfied (and revenue is recognised) over time, or whether a performance obligation is satisfied (and revenue is recognised) at a point in time for all contracts. All revenue derived by the entity (NSIA) are recognised at a point in time because it has met all indicators of transfer of control, which should be considered. This includes the following:

- The Group has a present right to payment for the asset;
- The legal title of the asset has been transferred to the customer;
- The customer has taken physical possession of the asset;
- The customer has the significant risks and rewards of ownership of the asset; and
- The customer has accepted the asset.

The Group recognises revenue from the following sources:

- Revenue from healthcare services
- Interest/ investment income.

In order to meet the core principle of recognising revenue to depict the transfer of promised goods or services to customers in an amount that reflects the amount of consideration to which an entity expects to be entitled in exchange for those goods or services, a five- step model is adopted. These five steps are:

- a Identify the contract with the customer
- b Identify the distinct goods or services
- c Determine the transaction price
- d Allocate the transaction price
- e Determine when to recognise revenue.

#### **Revenue from healthcare services**

Healthcare centres are engaged in consultancy services for the provision of modern medical pathology laboratory services, modern radiography services, and ancillary healthcare services.

Revenue from contracts with customers is recognised when control of the goods/services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods/services. The Company has generally concluded that it is the principal in its revenue arrangements. The layers of services involved are:

- i. First consultation service: Customers/patients on their first visit to the centre come with a referral and/or medical test report to the Company. The referral/ medical test report is assessed and evaluated by a medical consultant who recommends the patient for either therapy session(s) or medical laboratory test. Revenue is recognised on first consultation service at a point-in-time.
- ii. Follow-up consultation services: The Company's health facility centre provides follow-up consultation

to patients who are on subsequent visitations to the centre after their first consultation at the Company's facility. The patients meet with medical consultants for monitoring of the progress of patient's therapy. And where necessary, the consultants give further recommendations/prescriptions on the patient. Revenue is recognised on follow-up consultation services overtime.

- iii. Radiotherapy services: Radiotherapy services involve the use of medical equipment, which emits high doses of radiation to kill cancer cells and shrink tumors. Revenue is recognised on radiotherapy services at a point-in-time.
- iv. Chemotherapy services: Chemotherapy services entail the prescription and administration of anti-cancer drugs to kill fast-growing cancer cells in the body. The Company earns a mark-up in addition to the cost of the chemotherapy drugs prescribed and sold to patients.
- v. Medical laboratory services: Customers/patients are oftentimes recommended for medical tests to ascertain their stability and ability to withstand the radiation or anti-cancer drugs that would be prescribed for their therapy.

The service is provided in-house by an outsourced laboratory service and revenue from this service is recognised at a point-in-time.

In determining the transaction price for the services rendered, the Company considers the existence of significant financing components and consideration payable to the customer (if any).

#### **4.15 Capital and other commitments**

The term "commitments" is not defined by any of the standard contexts but may be referred to as the intention to commit to an outflow from the Group of resources embodying economic benefits.

Generally, a commitment arises when a decision is made to incur a liability in the form of a purchase contract (or similar documentation). Such a contractual commitment would be accompanied by, but not limited to, actions taken to determine the amount of the eventual resource outflow or a reliable estimate, e.g., a quote, and conditions to be satisfied to establish an obligation, e.g., delivery schedules.

These preconditions ensure that the information relating to commitments is relevant and capable of reliable measurement. The Group may enter into a contract on or before the reporting date for expenditure over subsequent accounting periods, e.g., a contract for construction of infrastructure assets, the purchase of major items of plant and equipment or significant consultancy contracts. In these events, a commitment exists at the reporting date as the Group has contracted for expenditure but work has not commenced and no payments have been made.

#### **4.16 Comparatives**

Comparative figures, where necessary, have been

reclassified to conform to changes in classifications in the current accounting year.

#### 4.17 Intercompany receivables

Intercompany receivables represent balances due from the Authority's subsidiaries as at the end of the financial year. The balance on the financial statements represents the carrying amount as at the end of the year.

#### 4.18 Intercompany payables

Intercompany payables represent balances due from the Authority to its subsidiaries as at the end of the financial year. The balance on the financial statements represents the carrying amount as at the end of the year.

#### 4.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Group as a lessee

The Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Building	2 years
Land	10 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (4.7.13) Impairment of non-financial assets.

##### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments), less any lease incentives

receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### 4.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.21 Capital contribution and withdrawals

The ownership interest in the Authority is held by the Federal Government, State Governments, Local Area Councils, and the Federal Capital Territory. The contributions received are recognised in the statement of financial position. Contributions received in foreign currencies are recognised using the prevailing exchange rate at the date of transaction. Withdrawals from the capital contributions are also recognised using the prevailing rate at the date of the transaction.

#### 4.22 Reserves

Reserves comprise fair value reserve, foreign currency translation reserve, and retained earnings.

Movement in fair value of equity instruments measured at FVOCI and the Group's share of other comprehensive income of equity accounted investees are warehoused in fair value reserves and foreign currency translation reserve. Exchange differences on translation of foreign subsidiaries are accumulated in foreign currency translation reserve.

The accumulated profit or loss of the Group is warehoused in retained earnings. Differences arising from movements in exchange rates between the date of contribution and the date of withdrawal is transferred to retained earnings.

## 5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and in any future periods affected. Management discusses with the Board of Directors the development, selection, and disclosure of the Authority's critical accounting policies and estimates, and the application of these policies and estimates. These disclosures supplement the commentary on financial risk management.

### 5.1 Critical accounting judgments in applying the Authority's accounting policies

Critical accounting judgements made in applying the Authority's accounting policies include:

#### 5.1.1 Valuation of financial instruments

The Authority's accounting policy on fair value measurements is discussed under Note 4.7.6. The fair values of quoted financial assets at fair value through OCI and financial assets at fair value through profit or loss are determined by reference to prices quoted in an active market. For financial assets at fair value through OCI such as equity investments, which are unquoted, the Authority performs a fair valuation exercise on these investments using available and applicable inputs to determine their fair values.

The Authority measures fair values using the following fair value hierarchy that reflects the nature and process used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation

techniques where all significant inputs are directly or indirectly observable from market data.

- Level 3: Valuation techniques using inputs that are not based on observable market data. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

#### 5.1.2 Financial assets and liabilities classification

The Authority's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances: Details of the Authority's classification of financial assets and liabilities are given in Note 4.7.2.

#### 5.1.3 Impairment of financial assets

IFRS 9 requires the use of more forward-looking information, including reasonable and supportable forecasts of future economic conditions. The Group's management, with the support of experts, has developed the capability to model a number of economic scenarios and capture the impact on credit losses to ensure the overall expected credit loss (ECL) represents a reasonable distribution of economic outcomes. Appropriate governance and oversight have been established around the process. Further information on impairment of financial assets as well as inputs and assumptions to the ECL models have been disclosed in notes 6.2.4 to 6.2.8. Sensitivity of the ECL results to the inputs and assumptions are disclosed in note 6.2.9.

#### 5.1.4 Fair value of private equity investments

The fair values of the private equity investments held by one of the Group's subsidiaries have been determined at the reporting date using the net asset valuation method. This takes into account the net asset values as obtained from the different private equity investee funds' most recent available financial information, considering contributions and distributions between the last net asset valuation date and the reporting period. These private equity investments are unquoted and comparable market information was not available as at the end of the reporting period. Determining the fair values based on this valuation approach assumes that the investment will be realised at the reporting date at these values. The sensitivity of the fair values to changes in the assumptions made is disclosed in Note 7.

#### 5.1.5 Leases – Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is



reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of office buildings with shorter non-cancellable periods. The Group typically exercises its option to renew for these leases because these are reasonably certain to be exercised. The renewal periods for leasehold land with longer non-cancellable periods (i.e., 20 years) are also included as part of the lease term as these are reasonably certain to be exercised.

#### **5.1.6 Leases – Estimating the incremental borrowing rate**

The Authority cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Authority would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the Authority “would have to pay”, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Authority estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The Authority estimates the IBR using the following steps:

Step 1: Reference rate: This is generally a government bond reflecting risk-free rate. Repayment profile was considered when aligning the term of the lease with the term for the source of the reference rate. The reference rate used is 12.75%.

Step 2: Financing spread adjustment: Use of credit spreads from debt with the appropriate term by considering the Authority’s stand-alone credit rating or similar entity’s credit rating. The credit spread calculation amounted to 0.0051%.

Step 3: Lease-specific adjustment: Use of market yield for the leased assets, as an additional data point and to sense-check the overall IBRs calculated. The leased asset-specific rate is 0.0000%.

#### **5.1.7 Functional currency**

The Authority’s functional currency is determined based on the management’s assessment of the economic environment in which the Group’s entities operate.

Judgement is applied in determining the primary economic environment. The Authority reconsiders its functional currency to determine if there is a change in the underlying transactions, events, and conditions that defined the primary economic environment during and as at the end of the 2022 financial year.

Based on the primary indicators in IAS 21 – The Effects of Change in Foreign Exchange Rates – the Nigerian Naira has been determined as the functional currency of NSIA, despite the Authority’s significant exposure to US Dollars. This is because the Nigerian Naira is the currency in which most underlying transactions of the Authority are denominated and settled.

#### **5.1.8 Impairment of goodwill**

As at 31 December 2022, there was no record of any goodwill impairment in the books of Nigeria Sovereign Investment Authority.

### **6 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.

#### **6.1 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.

## **6.2 Credit risk**

Credit risk is the risk that a 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.

### **6.2.1 Management of credit risk**

The Group's policy on 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.

### **6.2.2 Exposure to credit risk**

#### **Credit quality of financial assets.**

The carrying amount of financial assets represents the maximum credit exposure per credit rating.

As at 31 December 2022, all financial assets were neither past due nor impaired. The credit quality of these financial assets is disclosed in the table below:

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
<b>(i) Bank balances</b>				
<b>Counterparties with external credit ratings</b>				
A- (S&P)	1,136,108	611,641	923,133	611,641
B- (S&P)	12,957,209	264,555,456	12,276,858	263,837,685
<b>Total cash at bank balances</b>	<b>14,093,317</b>	<b>265,167,097</b>	<b>13,199,991</b>	<b>264,449,326</b>
<b>(ii) Money market placements</b>				
<b>Counterparties with external credit ratings</b>				
A1- (S&P)	17,853,730	4,328,497	17,853,730	4,328,497
B+ (Fitch)	19,204,367	-	19,204,367	-
B- (S&P)	9,012,865	-	9,012,865	-
<b>Total money market placements</b>	<b>46,070,962</b>	<b>4,328,497</b>	<b>46,070,962</b>	<b>4,328,497</b>
<b>(iii) Restricted balances and other assets</b>				
<b>Counterparties with external credit ratings</b>				
A1- (S&P)	217,437	20,228,531	-	-
	<b>217,437</b>	<b>20,228,531</b>	<b>-</b>	<b>-</b>
<b>Counterparties without external credit ratings</b>				
Other receivables	267,326,090	261,530,631	272,134,529	262,342,582
Trade receivables	11,335,060	59,776,886	10,451,172	54,725,380
Intercompany receivables	-	-	70,844,348	46,311,759
<b>Total other assets (Financial assets)</b>	<b>278,878,587</b>	<b>341,536,048</b>	<b>353,430,049</b>	<b>363,379,721</b>
<b>(iv) Investment securities</b>				
<b>Counterparties with external credit ratings</b>				
Financial assets at amortised cost				
B- (Fitch)	71,110,496	29,162,747	69,991,031	29,162,747
A-(GCR)	-	2,056,104	-	2,056,104
B- (S&P)	38,255,082	8,610,411	38,255,082	8,610,411
A (Agusto & Co.)	-	4,209,056	-	4,209,056
A- (Agusto & Co.)	-	43,923,578	-	43,418,826
Caa1 (Moody's)	7,636,251	-	7,636,251	-
Unrated	1,004,491	-	1,004,491	-
	<b>118,006,320</b>	<b>87,961,896</b>	<b>116,886,855</b>	<b>87,457,144</b>

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
<b>Counter parties without external credit ratings</b>				
Financial assets at amortised cost	32,610,185	15,666,796	-	-
<b>Total financial assets at amortised cost (exclusive of impairment)</b>	<b>150,616,505</b>	<b>103,628,692</b>	<b>116,886,855</b>	<b>87,457,144</b>

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
<i>Financial assets at FVOCI</i>				
<b>Counter parties with external credit ratings</b>				
B- (S&P)	1,101,890	1,078,317	1,101,890	1,078,317
Ba2- (Moody)	3,024,319	2,771,120	3,024,319	2,771,120
Unrated	100,000	2,384,558	100,000	100,000
	<b>4,226,209</b>	<b>6,233,995</b>	<b>4,226,209</b>	<b>3,949,437</b>

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
<i>Financial assets at FVTPL</i>				
<b>Counter parties with external credit ratings</b>				
A	-	3,250,106	-	3,250,106
BB	3,136,382	-	-	-
A+(IM) (Agusto & Co.)	-	1,579,957	-	1,579,957
BB (GCR)	4,215,655	-	4,215,655	-
Bbb (Agusto & Co.)	1,741,075	1,165,460	-	-
AA	7,482,710	3,923,239	7,482,710	3,923,239
AA+ (Fitch)	-	23,929,441	-	23,929,441
AA- (Fitch)	16,504,359	15,129,538	8,289,558	15,129,538
A (Fitch)	15,622,399	13,355,469	15,622,399	13,341,002
A- (Fitch)	5,581,683	-	5,560,931	-
B (Fitch)	-	3,092,894	-	-
BB (Fitch)	9,652,964	8,937,412	9,652,964	8,937,412
A- (S&P)	21,176,071	-	21,176,071	-
AA (S&P)	69,279	555,678	69,279	555,678
A+ (S&P)	26,263,999	5,088,852	26,263,999	5,088,852
B2 (Moody)	-	114,135,963	-	114,135,963
B- (S&P)	218,752,338	-	218,752,338	-
<b>Counter parties without external credit ratings</b>	-		-	
Financial assets at FV through profit and loss	177,625,172	283,867,171	140,362,373	255,681,275
<b>Total financial assets at FVTPL</b>	<b>507,824,086</b>	<b>478,011,180</b>	<b>457,448,277</b>	<b>445,552,463</b>

### 6.2.3 Concentration of risk of financial assets.

#### Geographical sectors

The following table breaks down the Group's risk exposure at their carrying amounts, as categorised by geographical region as at 31 December 2022 and 31 December 2021. For this table, the Group has allocated exposures to regions based on the country of domicile of its counterparties.

#### 31 December 2022

In thousands of Nigerian Naira	Group				
	Nigeria	Rest of Africa	America	*Rest of the World	Total
Cash and cash equivalents					
Money market placements	-	-	-	46,070,962	46,070,962
Bank balances	12,955,654	-	137,713	999,950	14,093,317
Restricted balances and other assets					
Other receivables	267,326,090	-	-	-	267,326,090
Account receivables	11,335,060	-	-	-	11,335,060
Restricted balances	217,437	-	-	-	217,437
Loans and receivables					
At amortised cost	33,111,169	-	-	-	33,111,169
Investment securities					
At amortised cost					
Eurobonds	46,360,782				46,360,782
Commercial Papers	1,004,491				1,004,491
Fixed deposits	70,641,047	-	-	-	70,641,047
-					
At FVTPL					
Currency swap	167,152,338				167,152,338
Private equity investments	21,987,951	5,784,714	70,937,112	36,563,429	135,273,206
Hedge funds and long only equity investments	-	-	99,135,399	62,685,477	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	-	-	16,590,921	6,491,855	23,082,776
-					
At FVOCI					
NG Clearing Ltd	1,101,890				1,101,890
The Infrastructure Corporation of Nig. Limited	100,000				100,000
MTN securities	3,024,319			-	3,024,319
	637,896,264	5,784,714	205,717,999	152,811,673	1,002,210,650



31 December 2021

	Group				
In thousands of Nigerian Naira	Nigeria	Rest of Africa	America	*Rest of the World	Total
Cash and cash equivalents					
Money market placements	4,328,497	-	-	-	4,328,497
Bank balances	259,724,121	-	5,442,976	-	265,167,097
Restricted balances and other assets					
Other receivables	261,530,631	-	-	-	261,530,631
Account receivables	59,776,886	-	-	-	59,776,886
Cost incurred on behalf of related party	16,118,660	-	-	-	16,118,660
Restricted balances	4,109,871	-	-	-	4,109,871
Loans and receivables					
At amortised cost	15,666,796	-	-	-	15,666,796
Investment securities					
At amortised cost					
Eurobonds	7,613,088				7,613,088
Fixed deposits	80,348,808	-	-	-	80,348,808
	-				-
At FVTPL					
Currency swap	114,135,963	-	-	-	114,135,963
Private equity investments	12,364,908	14,032,830	63,833,002	43,424,145	133,654,885
Hedge funds and long only equity investments	-	-	105,782,624	69,305,703	175,088,327
Nigeria Infrastructure Debt Fund	1,579,957				1,579,957
US treasury notes	-	-	23,929,441	-	23,929,441
Fixed income products	-	-	29,622,608	-	29,622,608
	-	-		-	-
At FVOCI					
NG Clearing Ltd	1,078,317	-	-	-	1,078,317
The Infrastructure Corporation of Nig. Limited	100,000	-	-	-	100,000
MTN securities and Bridge Academies Limited	5,055,678	-	-	-	5,055,678
	843,532,181	14,032,830	228,610,651	112,729,848	1,198,905,510

\*Rest of the world covers regions outside Africa and America. This includes regions such as Europe, Asia and other parts of the world.

31 December 2022

	Authority				
In thousands of Nigerian Naira	Nigeria	Rest of Africa	America	*Rest of the World	Total
Cash and cash equivalents					
Money market placements	-	-	-	46,070,962	46,070,962
Bank balances	12,276,858	-	137,713	785,420	13,199,991
Restricted balances and other assets					
Other receivables	272,134,529	-	-	-	272,134,529
Account receivables	10,451,172	-	-	-	10,451,172
Intercompany receivables	70,844,348	-	-	-	70,844,348
Loans and receivables					
At amortised cost	23,741,812	-	-	-	23,741,812
Investment securities					
At amortised cost					
Eurobonds	46,360,782	-	-	-	46,360,782
Commercial Papers	1,004,491			-	1,004,491
Fixed deposits	69,521,582	-	-	-	69,521,582
At FVTPL					
Currency swap	167,152,338	-	-	-	167,152,338
Private equity investments	13,124,180	5,040,557	51,052,832	15,679,828	84,897,397
Hedge funds and long only equity investments	-	-	99,135,399	62,685,477	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
					-
At FVOCI					
NG Clearing Ltd	1,101,890	-	-	-	1,101,890
The Infrastructure Corporation of Nig. Limited	100,000	-	-	-	100,000
MTN securities and Bridge Academies Limited	3,024,319	-	-	-	3,024,319
	692,416,337	5,040,557	192,325,574	125,221,687	1,015,004,155

31 December 2021

	Authority				
In thousands of Nigerian Naira	Nigeria	Rest of Africa	America	*Rest of the World	Total
Cash and cash equivalents					
Money market placements	4,328,497	-	-	-	4,328,497
Bank balances	259,556,308	-	4,893,018	-	264,449,326
Restricted balances and other assets					
Other receivables	262,342,582	-	-	-	262,342,582
Account receivables	54,725,380	-	-	-	54,725,380
Intercompany receivables	46,311,759	-	-	-	46,311,759
Loans and receivables					
At amortised cost	17,012,085	-	-	-	17,012,085
Investment securities					
At amortised cost					
Eurobonds	7,613,088	-	-	-	7,613,088
Fixed deposits	79,844,056	-	-	-	79,844,056
At FVTPL					
Currency swap	114,135,963	-	-	-	114,135,963
Private equity investments	11,015,967	7,922,134	48,281,936	33,976,130	101,196,167
Hedge funds and long only equity investments	-		105,782,624	69,305,703	175,088,327
Nigeria Infrastructure Debt Fund	1,579,957	-	-	-	1,579,957
US treasury notes	-	-	23,929,441	-	23,929,441
Fixed income products	-	-	29,622,608	-	29,622,608
At FVOCI					
NG Clearing Ltd	1,078,317	-	-	-	1,078,317
The Infrastructure Corporation of Nig. Limited	100,000	-	-	-	100,000
MTN securities and Bridge Academies Limited	2,771,120	-	-	-	2,771,120
	862,415,079	7,922,134	212,509,627	103,281,833	1,186,128,673

\*Rest of the world covers regions outside Africa and America. This includes regions such as Europe, Asia, and other parts of the world.

### 6.2.4 Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Authority recognises loss allowances for expected credit losses (ECLs) on the following financial instruments that are not measured at FVPL:

- financial assets that are debt instruments;
- other assets and receivables; and
- financial guarantee contracts issued.

No impairment loss is recognised on equity investments.

The Authority measures loss allowances at an amount equal to lifetime ECL, except for the following where they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than other receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for other assets and receivables are always measured at an amount equal to lifetime ECL.

The Authority considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of “investment grade” or it is a sovereign debt issued in the local currency, e.g., Treasury bills and Bonds issued by the Nigerian Government.

12-month ECLs are the portion of ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that result from all possible default event over the expected life of a financial instrument.

### 6.2.5 Credit risk measurement

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of the credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios, and of default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring ECL under IFRS 9. Refer to note 6.2.5.2 on measurement of ECL below for more details.

### 6.2.5.1 Credit risk grading

The Group uses credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The Group uses rating models tailored to the various categories of counterparty. Specific information collected at the time of acquiring the financial assets (such as disposable income, and level of collateral for exposures; and turnover and industry type) is fed into this rating model.

This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models enable expert judgement from the risk management unit to be fed into the final internal credit rating for exposures. This allows for considerations which may not be captured as part of the other data inputs into the model.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an A and A- rating grade is lower than the difference in the PD between a B and B- rating grade.

### 6.2.5.2 Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date:  
They are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Authority expects to receive);
- Financial assets that are credit-impaired at the reporting date:  
They are measured as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- Financial guarantee contracts: They are measured as the expected payments to reimburse the holder, less any amounts that the Authority expects to recover from the holder, the debtor or any other party.

#### Default definition

Under IFRS 9, the Group will consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the borrower is more than 90 days past due on any material credit obligation to the Group.
- Overdrafts are considered past due once the customer has breached an advised limit or been advised of a limit that is smaller than the current amount outstanding.

In assessing whether a borrower is in default, the Group will consider indicators that are:

- qualitative: e.g., breach of covenants that are deemed as default events;
- quantitative: e.g., 90 days overdue status and non-

- payment of another obligation of the same issuer to the Authority; and
- based on internal and external objective evidence of impairment.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

### 6.2.6 Significant increase in credit risk

The Group has established a framework that considers qualitative, quantitative, and “backstop” (30 days past due presumption) indicators to determine whether the credit risk on a particular financial instrument has increased significantly since initial recognition. The framework aligns with the Group’s internal credit risk management process.

The criteria for determining whether credit risk has increased significantly will vary by portfolio and will include backstop based on delinquency.

In determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Group will consider reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the Authority’s historical experience, expert credit assessment, and forward-looking information.

The Authority will primarily assess whether a significant increase in credit risk has occurred for an exposure in line with its staging criteria by comparing:

- the risk of default on the exposure as at the reporting date; with
- the risk of default on the exposure as at the date of

initial recognition.

Assessing whether credit risk has increased significantly since initial recognition of a financial instrument requires identifying the date of initial recognition of the instrument. Modifying the contractual terms of a financial instrument may also affect this assessment.

Details of the qualitative and quantitative factors used to determine the significant increase in credit risk are highlighted in the next subheading.

#### 6.2.6.1 Quantitative criteria

The use of quantitative criteria requires the Authority to refresh its quantitative metrics at least annually. The Authority adopted the following quantitative criteria for the purpose of assessing Significant Increase in Credit Risk (SICR), vis-à-vis stage allocation:

##### i. External rating parameter:

The Authority monitors changes in external ratings of obligors to assess significant increase/decrease in credit risk. Evidence of SICR depends on the rating at initial recognition and the extent of movement (number of notches downgrade/upgrade) as at the reporting date.

The Authority applies different notches movement across each rating grade as evidence of SICR. Generally, obligors with higher credit rating would require more notches downgrade to evidence SICR, when compared with obligors with lower credit rating. The logic is that PD exponentially increases with movement down the rating grades. For instance, while a one-notch movement is deemed significant for a financial instrument rated CCC at origination, a three-notch movement is deemed significant for an AAA rated financial instrument.

Below is a table of the quantitative criteria used in allocating stages to the financial instruments of the Authority:

Stage 1	Stage 2	Stage 3
<ul style="list-style-type: none"> <li>• Less than three (3) notches downgrade in the external rating of the obligor for financial instruments that were rated S&amp;P-equivalent of AAA to AA- at origination.</li> <li>• Less than two (2) notches downgrade in the external rating of the obligor for financial instruments that were rated S&amp;P-equivalent of A+ to BB- at origination.</li> <li>• No downgrade in the external rating of the obligor for financial instruments that were rated S&amp;P equivalent of B+ and below at origination.</li> </ul>	<ul style="list-style-type: none"> <li>• More than three (3) notches downgrade in the external rating of the obligor for financial instruments that were rated S&amp;P-equivalent of AAA to AA- at origination.</li> <li>• More than two (2) notches downgrade in the external rating of the obligor for financial instruments that were rated S&amp;P-equivalent of A+ to BB- at origination.</li> <li>• One (1) or more notch downgrade in the external rating of the obligor for financial instruments that were rated S&amp;P-equivalent of B+ and below at origination.</li> </ul>	<ul style="list-style-type: none"> <li>• All facilities with a rating of D are grouped in stage 3</li> </ul>

##### ii. Backstop:

The Authority uses the backstop indicator otherwise known as “30 days past due presumption” to assess significant decrease/increase in credit risk. Evidence of SICR depends on the financial instrument’s performance status and the number of days for which contractual payments are past due.



The threshold for these quantitative criteria will be reviewed by the Authority on an annual basis.

Stage 1	Stage 2	Stage 3
<ul style="list-style-type: none"> <li>The financial instrument is performing with less than 30 days past due on any contractual payment.</li> </ul>	<ul style="list-style-type: none"> <li>The financial instrument is performing with 30 or more days but less than 90 days past due on any contractual payment; except if the Authority can rebut that the “30 days past due” presumption does not represent significant increase in credit risk for that particular financial instrument.</li> </ul>	<ul style="list-style-type: none"> <li>The financial instrument is 90 or more days past due on contractual payments; except if the Authority can rebut that the “90 days past due” presumption does not represent a default event for that particular financial instrument.</li> </ul>

### 6.2.6.2 Qualitative Criteria

The Authority uses a wide range of qualitative criteria for staging purposes, leveraging on IFRS 9 recommendations and a range of other factors.

The Authority shall override the stage allocation using quantitative assessment if the financial instrument meets the qualitative criteria for a different impairment stage as detailed below.

Below is a table of the qualitative criteria used in allocating stages to the financial instruments of the Group:

Stage 1	Stage 2	Stage 3
<ul style="list-style-type: none"> <li>The financial instrument meets the Central Bank of Nigeria’s (CBN) low-risk exception criteria, i.e., “risk free and gilt edged”.</li> <li>All financial instruments at inception will be in stage 1 except if purchased or originated as credit-impaired.</li> <li>The financial instrument has not had a significant increase in credit risk since origination as evidenced by (but not limited to) the following factors: <ul style="list-style-type: none"> <li>An actual or expected change in the regulatory, macroeconomic, or technological environment of the borrower at the reporting date does not result in a significant change in the borrower’s ability to meet its obligations relative to the origination date.</li> <li>No expectation of forbearance or restructuring due to financial difficulties.</li> <li>No evidence that full repayment of interest and principal will require the realisation of collaterals or other form of support.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The financial instrument has had a significant increase in credit risk since origination as evidenced by (but not limited to) the following factors: <ul style="list-style-type: none"> <li>An actual or expected change in the regulatory, macroeconomic, or technological environment of the borrower at the reporting date results in a significant change in the borrower’s ability to meet its obligations relative to the origination date.</li> <li>Expectation of forbearance or restructuring due to financial difficulties.</li> <li>Evidence that full repayment of interest and principal will require the realisation of collaterals or other form of support.</li> <li>The borrower has suffered a regulatory fine that is significant in relation to its size/profit at the reporting date, which could result in a significant change in the borrower’s ability to meet its obligations relative to the origination date.</li> <li>Litigation against the obligor is likely to have material impact on revenue or profit at the reporting date, which could result in a significant change in the borrower’s ability to meet its obligations relative to the origination date.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Financial instruments that are purchased or originated as credit-impaired.</li> <li>The financial instrument has objective evidence of impairment at the reporting date as evidenced by (but not limited to) the following: <ul style="list-style-type: none"> <li>Withdrawal of operating licence from the obligor.</li> <li>Voluntary liquidation/insolvency of the obligor.</li> <li>If it becomes probable that the obligor may enter bankruptcy or any other financial reorganisation.</li> <li>Disappearance of an active market for the financial instrument because of financial difficulties.</li> </ul> </li> <li>The purchase or origination of a financial instrument at a deep discount that reflects the incurred credit losses.</li> <li>Breach of covenants that are deemed as default events.</li> <li>Other qualitative factors representing default such as in the CBN’s prudential guideline definition of default.</li> </ul>
<ul style="list-style-type: none"> <li>The borrower did not suffer a regulatory fine that is significant in relation to its size/profit at the reporting date, which could result in a significant change in the borrower’s ability to meet its obligations relative to the origination date.</li> <li>No litigation against the obligor that is likely to have material impact on profit at the reporting date, which could result in a significant change in the borrower’s ability to meet its obligations relative to the origination date.</li> </ul>	<ul style="list-style-type: none"> <li>Government policies have significant negative impact on the viability or profitability of the obligor at the reporting date, which could result in a significant change in the borrower’s ability to meet its obligations relative to the origination date.</li> <li>Significant downturn in the obligor’s industry at the reporting date relative to the origination date or the downturn is expected to significantly impact the obligor’s ability to meet contractual obligations relative to the origination date.</li> </ul>	

<ul style="list-style-type: none"> <li>Government policies have little or no negative impact on the viability or profitability of the obligor at the reporting date, which could result in a significant change in the borrower's ability to meet its obligations relative to the origination date.</li> </ul>	<ul style="list-style-type: none"> <li>There is significant drop in the obligor's revenue or profitability at the reporting date, which could result in a significant change in the borrower's ability to meet its obligations relative to the origination date.</li> </ul>	
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Stage 1	Stage 2	Stage 3
<ul style="list-style-type: none"> <li>No significant downturn in the obligor's industry at the reporting date relative to the origination date or the downturn is not expected to significantly impact the obligor's ability to meet contractual obligations relative to the origination date.</li> <li>There is no significant drop in the obligor's revenue or profitability at the reporting date, which could result in a significant change in the borrower's ability to meet its obligations relative to the origination date.</li> </ul>	<ul style="list-style-type: none"> <li>Significant reduction in financial support from a parent entity or other affiliate at the reporting date, which could result in a significant change in the borrower's ability to meet its obligations relative to the origination date.</li> <li>Significant deterioration in liquidity/solvency levels of the obligor at the reporting date, which could result in a significant change in the borrower's ability to meet its obligations relative to the origination date.</li> </ul>	
<ul style="list-style-type: none"> <li>Little or reduction in financial support from a parent entity or other affiliate at the reporting date, which could result in a significant change in the borrower's ability to meet its obligations relative to the origination date.</li> <li>No significant deterioration in liquidity/solvency levels of the obligor at the reporting date, which could result in a significant change in the borrower's ability to meet its obligations relative to the origination date.</li> </ul>	<ul style="list-style-type: none"> <li>Other factors other than those listed above that suggest that the ability of the obligor to meet contractual obligations at the reporting date has changed materially from the origination date.</li> </ul>	
<ul style="list-style-type: none"> <li>For financial institutions, no significant deterioration in obligor's CAMELS (i.e., Capital, Asset Quality, Management Capability, Earnings, Liquidity, and Sensitivity to market risks) at the reporting date, which could result in a significant change in the borrower's ability to meet its obligations relative to the origination date.</li> </ul>		
<ul style="list-style-type: none"> <li>No significant deterioration in internal price indicators of credit risk at the reporting date, which could result in a significant change in the borrower's ability to meet its obligations relative to the origination date.</li> </ul>		
<ul style="list-style-type: none"> <li>Other factors other than those listed above that suggest that the ability of the obligor to meet contractual obligations at the reporting date has not changed materially from the origination date.</li> </ul>		

### 6.2.7 Measuring ECL – Explanation of inputs, assumptions, and estimation techniques

The expected credit loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted products of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per “definition of default and credit-impaired” above), either over the next 12 months (12M PD), or over the remaining lifetime (lifetime PD) of the obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- LGD represents the Group’s expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim, and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the financial asset.

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together. This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the financial asset amortised cost. The maturity profile is based on historically observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising instruments/assets, this is based on the contractual repayments owed by the borrower

over a 12-month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a “credit conversion factor,” which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group’s recent default data.

The 12-month and lifetime LGDs are determined based on the factors, which impact the recoveries made post-default. These vary by asset.

- For secured financial assets, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured financial assets, LGD’s are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD’s are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by asset type. Refer to the forward-looking information incorporated in the ECL models” subheading for an explanation of forward-looking information and its inclusion in ECL calculations.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc., are monitored and reviewed by the Finance team on a periodic basis.

There have been no significant changes in estimation techniques or significant assumptions made between when the model was adopted and the reporting period.

### 6.2.8 Forward-looking information incorporated in the ECL models

The calculation of ECL incorporates forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

IFRS 9 [B5.5.51] states that an entity need not undertake an exhaustive search for information but shall consider all reasonable and supportable information that is available without undue cost or effort and that is relevant to the estimate of expected credit losses. In addition, an entity is not required to incorporate forecasts of future economic conditions over the entire life of a financial instrument. Rather, it suffices for an entity to extrapolate projections for periods that are far in the future from available information.

### 6.2.8.1 Incorporating forward-looking information (FLI) into multi-year PD estimation

The Authority has financial instruments originating from different regions of the world. As a result, it may be impracticable to obtain information on future economic conditions for all the relevant regions. The Authority has, therefore, incorporated FLI into multi-year PD estimation using a two-step approach:

#### Step 1:

Convert Through-the-Cycles (TTC) PDs to Point-in-Time (PIT) PDs using logistic regression with global historical default rates and global macroeconomic variables (i.e., global gross domestic product (GDP) growth rates, global inflation rates, and oil prices). This is based on the fact that external rating grades are comparable across industries and jurisdictions.

#### Step 2:

Incorporate the impact of local economic conditions by analysing the likelihood of change in the rating of each financial instrument based on obligor-specific information. This analysis will be conducted at every reporting date by considering the following information:

- i. Rating outlook from external rating agencies for the obligor or the related sovereign;

- ii. The expected impact of local macroeconomic forecasts (e.g., local GDP growth rate, exchange rate, inflation rate, unemployment rate etc.) on the obligor; and
- iii. Other obligor-specific qualitative information that may provide an indication of future change in ratings.

### 6.2.8.2 Incorporating FLI into multi-year EAD and LGD estimation

The Authority adjusts the base case EAD and LGD estimates for periods where these parameters are expected to be significantly different from their historical averages based on forward-looking macroeconomic information.

### 6.2.8.3 Macroeconomic variable affecting the ECL allowance

The real historical GDP growth rate in Nigeria, inflation rate, and crude oil prices were identified as the key economic variables impacting the credit risk of the Group. Historical data on these variables for the last ten years were used to determine the three economic scenarios (base, optimistic, and downturn) and their scenario weightings.

### 6.2.9 Economic variable assumptions

One of the most significant period-end assumptions used for the ECL estimate as at 31 December 2022 are set out below. The scenarios "base", "optimistic," and "downturn" were used for all portfolios.

		2023	2024	2025	2026	2027
a. GDP growth rate (%)	Base	3%	3%	3%	3%	3%
	Optimistic	4%	3%	3%	3%	3%
	Downturn	3%	3%	3%	3%	3%
b. Inflation rate (%)	Base	15%	13%	13%	13%	13%
	Optimistic	13%	10%	10%	10%	10%
	Downturn	20%	18%	18%	18%	18%
c. Oil price (USD)	Base	81	75	75	75	75
	Optimistic	86	80	80	80	80
	Downturn	76	70	70	70	70

### Sensitivity analysis on ECL model

The most significant forward-looking information with impact on the ECL allowance of the Group include:

- Growth rate
- Inflation rate
- Oil prices.

The table below demonstrates the sensitivity of the ECL allowance to movements in the significant forward-looking indicators for financial assets, with all other variables held constant:

	Group		Authority	
	ECL allowance N'000	Net effect N'000	ECL allowance N'000	Net effect N'000
<b>2022</b>				
<b>Inflation rate</b>				
1% increase	3,209,247	1,005	3,147,782	942
No change	3,208,242	-	3,146,840	-
1% decrease	3,207,239	(1,003)	3,145,899	(941)
<b>Oil prices</b>				
5% increase	3,204,253	(3,989)	3,143,017	(3,823)
No change	3,208,242	-	3,146,840	-
5% decrease	3,212,187	3,945	3,150,618	3,778
<b>2021</b>				
<b>Growth rate</b>				
10% increase	1,788,546	(4,190)	2,065,190	(32,232)
No change	1,792,736	-	2,097,422	-
10% decrease	1,796,623	3,887	2,127,332	29,910
<b>Inflation rate</b>				
1% increase	1,792,764	28	2,105,408	7,986
No change	1,792,736	-	2,097,422	-
1% decrease	1,792,708	(28)	2,089,436	(7,986)
<b>Oil prices</b>				
5% increase	1,791,371	(1,365)	2,091,531	(5,891)
No change	1,792,736	-	2,097,422	-
5% decrease	1,794,137	1,401	2,103,040	5,618

### 6.2.10 Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs, and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised and write-offs of allowances related to assets that are written off.

There were no assets written off during the period.

See notes 14.1 for an explanation of the changes in the loss allowance of financial assets between the beginning and the end of the annual period.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix.

### 6.2.11 Write-off policy

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators showing there is no reasonable expectation of recovery include (i) ceasing enforcement activity, and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Group may write off financial assets that are still subject to enforcement activity. Currently, there were no outstanding contractual amounts on such financial assets during the year ended 31 December 2022.



The table below analyses the Group's financial assets measured at amortised cost based on the stage in which the allowances taken on them are. All financial assets fair valued through other comprehensive income are equity instruments

## 2022

Group	Stage 1 12 months exposure N'000	Stage 2 Lifetime exposure N'000	Stage 3 Lifetime exposure N'000	Total N'000
Financial assets measured at amortised cost				
Eurobond	46,360,782	-	-	46,360,782
Commercial papers	1,004,491	1,004,491		
Fixed deposits	70,641,047	-	-	70,641,047
Loans and receivables	33,111,169	-	-	33,111,169
Restricted balances and other assets	278,878,587	278,878,587		
	<b>429,996,076</b>	-	-	<b>429,996,076</b>
Loss allowance (investment securities & other assets)	(3,208,242)	-	-	(3,208,242)
<b>Carrying amount</b>	<b>426,787,834</b>	-	-	<b>426,787,834</b>
Individually impaired	3,208,242	-	-	3,208,242
Collectively impaired	-	-	-	-
	<b>3,208,242</b>	-	-	<b>3,208,242</b>

## 2021

Group	Stage 1 exposure 12 months N'000	Stage 2 Lifetime exposure N'000	Stage 3 Lifetime exposure N'000	Total N'000
Financial assets measured at amortised cost				
Eurobond	7,613,088	-	-	7,613,088
Fixed deposits	80,348,808	-	-	80,348,808
Loans and receivables	15,666,796	-	-	15,666,796
Restricted balances and other assets	341,536,048	341,536,048		
	<b>445,164,740</b>	-	-	<b>445,164,740</b>
Loss allowance (investment securities & other assets)	(1,792,736)	-	-	(1,792,736)
<b>Carrying amount</b>	<b>443,372,004</b>	-	-	<b>443,372,004</b>
Individually impaired	1,792,736	-	-	1,792,736
Collectively impaired	-	-	-	-
	<b>1,792,736</b>	-	-	<b>1,792,736</b>

## 2022

Authority	Stage 1 12 months exposure N'000	Stage 2 Lifetime exposure N'000	Stage 3 Lifetime exposure N'000	Total N'000
<b>Financial assets measured at amortised cost</b>				
Eurobond	46,360,782	-	-	46,360,782
Commercial papers	1,004,491	1,004,491	-	2,008,982
Fixed deposits	69,521,582	-	-	69,521,582
Loans and receivables	23,741,812	-	-	23,741,812
Restricted balances and other assets	353,430,049	353,430,049	-	706,860,098
	<b>494,058,716</b>	<b>-</b>	<b>-</b>	<b>494,058,716</b>
Loss allowance	(3,146,840)	-	-	(3,146,840)
<b>Carrying amount</b>	<b>490,911,876</b>	<b>-</b>	<b>-</b>	<b>490,911,876</b>
Individually impaired	3,146,840	-	-	3,146,840
Collectively impaired	-	-	-	-
	<b>3,146,840</b>	<b>-</b>	<b>-</b>	<b>3,146,840</b>

## 2021

Authority	Stage 1 12 months exposure N'000	Stage 2 Lifetime exposure N'000	Stage 3 Lifetime exposure N'000	Total N'000
<b>Financial assets measured at amortised cost</b>				
Eurobond	7,613,088	-	-	7,613,088
Fixed deposits	79,844,056	-	-	79,844,056
Loans and receivables	17,012,085	-	-	17,012,085
Restricted balances and other assets	363,593,556	-	-	363,593,556
	<b>468,062,785</b>	<b>-</b>	<b>-</b>	<b>468,062,785</b>
Loss allowance	(2,097,422)	-	-	(2,097,422)
<b>Carrying amount</b>	<b>465,965,363</b>	<b>-</b>	<b>-</b>	<b>465,965,363</b>
Individually impaired	2,097,422	-	-	2,097,422
Collectively impaired	-	-	-	-
	<b>2,097,422</b>	<b>-</b>	<b>-</b>	<b>2,097,422</b>

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for fixed deposits, commercial papers, and Eurobonds is as follows:

Group	2022		2021	
	Stage 1 Individual		Stage 1 Individual	
	Gross carrying amount N'000	ECL N'000	Gross carrying amount N'000	ECL N'000
As at 1 January	87,961,896	573,566	75,228,357	636,031
Addition to financial assets	96,510,317	1,412,673	12,733,539	(62,465)
Assets derecognised or matured (excluding write-offs)	(80,703,215)	-	-	-
Interest capitalised	6,731,691	-	-	-
Exchange gains	7,505,631	-	-	-
<b>As at 31 December</b>	<b>118,006,320</b>	<b>1,986,239</b>	<b>87,961,896</b>	<b>573,566</b>

Authority	2022		2021	
	Stage 1 Individual		Stage 1 Individual	
	Gross carrying amount N'000	ECL N'000	Gross carrying amount N'000	ECL N'000
As at 1 January	87,457,144	573,566	72,066,098	636,031
Addition to financial assets	95,937,245	1,412,673	15,391,046	(62,465)
Assets derecognised or matured (excluding write-offs)	(80,703,216)	-	-	-
Interest capitalised	6,731,691	-	-	-
Exchange gains	7,463,991	-	-	-
<b>As at 31 December</b>	<b>116,886,855</b>	<b>1,986,239</b>	<b>87,457,144</b>	<b>573,566</b>

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for other assets, loans, and receivables is as follows:

Group	2022		2021	
	Stage 1 Individual		Stage 1 Individual	
	Gross carrying amount N'000	ECL N'000	Gross carrying amount N'000	ECL N'000
As at 1 January	336,974,313	1,219,170	146,018,322	1,701,494
Addition to financial assets				
Assets derecognised or matured (excluding write-offs)				
(25,201,994)				
2,833	190,955,991	(482,324)		
<b>As at 31 December</b>	<b>311,772,319</b>	<b>1,222,003</b>	<b>336,974,313</b>	<b>1,219,170</b>

Authority	2022		2021	
	Stage 1 Individual		Stage 1 Individual	
	Gross carrying amount N'000	ECL N'000	Gross carrying amount N'000	ECL N'000
As at 1 January	380,391,806	1,523,856	224,105,023	2,006,180
Addition to financial assets	-		156,286,783	(482,324)
Assets derecognised or matured (excluding write-offs)	(3,219,945)	(363,255)	-	-
<b>As at 31 December</b>	<b>377,171,861</b>	<b>1,160,601</b>	<b>380,391,806</b>	<b>1,523,856</b>

## 6.3 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.

### 6.3.1 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:

<i>In thousands of Naira</i>	Group 31 December 2022	Group 31 December 2021	Authority 31 December 2022	Authority 31 December 2021
Cash in hand	21,396	5,989	2,900	4,592
Bank balances	14,093,317	265,167,097	13,199,991	264,449,326
Placements with financial institutions	46,070,962	4,328,497	46,070,962	4,328,497
<b>Total cash and cash equivalents</b>	<b>60,185,675</b>	<b>269,501,583</b>	<b>59,273,853</b>	<b>268,782,415</b>

### Exposure to liquidity risk

The table below analyses the Group's non-derivative financial liabilities and unfunded commitments with private equity fund managers into relevant maturity Groupings, based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

<b>Group</b> <b>31 December 2022</b> <i>In thousands of Naira</i>	<b>Up to 6 months</b>	<b>Between 6 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>Greater than 2 years</b>	<b>Total</b>
Trade payables	268,401	-	-	-	268,401
Other payables	13,976,264	-	-	-	13,976,264
Payables to the Federal Government of Nigeria in respect of the Second Niger Bridge	65,190	-	-	-	65,190
<b>Total liabilities</b>	<b>14,309,855</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,309,855</b>
Unfunded commitments with private equity fund managers	61,406,037	-	-	-	61,406,037
<b>Total commitments</b>	<b>61,406,037</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,406,037</b>

<b>Group</b> <b>31 December 2021</b> <i>In thousands of Naira</i>	<b>Up to 6 months</b>	<b>Between 6 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>Greater than 2 years</b>	<b>Total</b>
Trade payables	1,092,940	-	-	-	1,092,940
Other payables	286,511,515	-	-	-	286,511,515
Payables to the Federal Government of Nigeria in respect of the Second Niger Bridge	19,001,075	-	-	-	19,001,075
Lease liability	80,326	-	-	-	80,326
<b>Total liabilities</b>	<b>306,685,856</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306,685,856</b>
Unfunded commitments with private equity fund managers	56,633,754	-	-	-	56,633,754
<b>Total commitments</b>	<b>56,633,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,633,754</b>

<b>Authority</b> <b>31 December 2022</b> <i>In thousands of Naira</i>	<b>Up to 6 months</b>	<b>Between 6 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>Greater than 2 years</b>	<b>Total</b>
Trade payables	128,785	-	-	-	128,785
Intercompany payables	5,369,784	-	-	-	5,369,784
Other payables	13,244,814	-	-	-	13,244,814
<b>Total liabilities</b>	<b>18,743,383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,743,383</b>
Unfunded commitments with private equity fund managers	24,517,477	-	-	-	24,517,477
<b>Total commitments</b>	<b>24,517,477</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,517,477</b>

<b>31 December 2021</b> <i>In thousands of Naira</i>	<b>Up to 6 months</b>	<b>Between 6 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>Greater than 2 years</b>	<b>Total</b>
Trade payables	1,058,971	-	-	-	1,058,971
Intercompany payables	313,565	-	-	-	313,565
Other payables	285,615,958	-	-	-	285,615,958
Lease liability	80,326	-	-	-	80,326
<b>Total liabilities</b>	<b>287,068,821</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>287,068,821</b>
Unfunded commitments with private equity fund managers	23,039,558	-	-	-	23,039,558
<b>Total commitments</b>	<b>23,039,558</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,039,558</b>

## 6.4 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 losses 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, hospitality, and are generally less liquid than traditional investments. Currently, the asset classes being referred to as alternative investments are the real estate assets, private equity, hospitality, and infrastructure projects.

The Group's Market Risk Framework includes:

- \* Market risk - comprising equity, 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 real estate assets, 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 are categorised as follows:

### 6.4.1 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.

### 6.4.2 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.

### 6.4.3 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.

For the purpose of disclosing the sensitivity analysis for foreign currency risk, the Group's foreign currency risk arising from the translation of its foreign operations are not taken into account even though they may have an impact on equity. A negative amount in the table reflects a potential net reduction in the income statement or equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the currencies below against the Nigerian Naira would have resulted in an equivalent but opposite impact.

The tables below show the sensitivity of the Group's total comprehensive income to 10% appreciation or depreciation of the Naira in relation to other currencies while holding other variables constant.



**Concentration of foreign currency exposure****Group**

31 December 2022

	Naira N'000	USD N'000	Euro N'000	Others1 N'000	Total N'000
Cash and cash equivalents	12,977,050	46,950,125	257,560	940	60,185,675
Investment securities (at amortised cost)	2,123,956	115,882,364	-	-	118,006,320
Investment securities (at FVTPL)	1,578,036	506,200,300	45,750	-	507,824,086
Investment securities (at FVOCI)	3,124,319	1,101,890	-	-	4,226,209
Loans and receivables	28,610,413	4,500,756	-	-	33,111,169
Restricted balances and other assets	13,302,608	265,575,979	-	-	278,878,587
<b>Total monetary financial assets</b>	<b>61,716,382</b>	<b>940,211,414</b>	<b>303,310</b>	<b>940</b>	<b>1,002,232,046</b>
Trade payables	267,608	793	-	-	268,401
Other payables	13,339,932	557,589	76,349	2,394	13,976,264
Payable to Federal Government of Nigeria	65,190	-	-	-	65,190
<b>Total monetary financial liabilities</b>	<b>13,672,730</b>	<b>558,382</b>	<b>76,349</b>	<b>2,394</b>	<b>14,309,855</b>

1. Others represent all other currencies aside the three main functional currencies such Yen, AUD, GBP.

	Naira	USD	Euro	Others1	Total
<b>Net financial asset FCY exposure</b>	-	<b>939,653,032</b>	<b>226,961</b>	<b>(1,454)</b>	<b>939,878,539</b>
			-		
Sensitivity at 10% appreciation	-	(93,965,303)	(22,696)	145	(93,987,854)
Sensitivity at 10% depreciation	-	93,965,303	22,696	(145)	93,987,854

**Group**

31 December 2021

	Naira N'000	USD N'000	Euro N'000	Others1 N'000	Total N'000
Cash and cash equivalents	264,467,315	5,088,521	43,212	3,908	269,602,956
Investment securities (at amortised cost)	504,752	86,883,578	-	-	87,388,330
Investment securities (at FVTPL)	1,626,000	476,385,180	-	-	478,011,180
Investment securities (at FVOCI)	6,233,995	-	-	-	6,233,995
Loans and receivables	15,467,411	-	-	-	15,467,411
Restricted balances and other assets	66,361,464	274,402,974	-	-	340,764,438
<b>Total monetary financial assets</b>	<b>354,660,937</b>	<b>842,760,253</b>	<b>43,212</b>	<b>3,908</b>	<b>1,197,468,310</b>
Trade payables	84,491	1,008,449	-	-	1,092,940
Other payables	259,886,257	26,688,578	-	7,923	286,582,758
Payable to Federal Government of Nigeria	19,001,075	-	-	-	19,001,075
<b>Total monetary financial liabilities</b>	<b>278,971,823</b>	<b>27,697,027</b>	<b>-</b>	<b>7,923</b>	<b>306,676,773</b>

	Naira	USD	Euro	Others1	Total
<b>Net financial asset FCY exposure</b>	-	<b>815,063,226</b>	<b>43,212</b>	<b>(4,015)</b>	<b>815,102,423</b>
Sensitivity at 10% appreciation	-	(81,506,323)	(4,321)	402	(81,510,242)
Sensitivity at 10% depreciation	-	81,506,323	4,321	(402)	81,510,242

**Authority**

31 December 2022

	Naira N'000	USD N'000	Euro N'000	Others1 N'000	Total N'000
Cash and cash equivalents	12,279,759	46,735,594	257,560	940	59,273,853
Investment securities (at amortised cost)	1,004,491	115,882,364	-	-	116,886,855
Investment securities (at FVTPL)	1,578,036	455,824,493	45,748	-	457,448,277
Investment securities (at FVOCI)	3,124,319	1,101,890	-	-	4,226,209

Loans and receivables	23,741,812	-	-	-	23,741,812
Restricted balances and other assets	88,111,839	265,318,210	-	-	353,430,049
<b>Total monetary financial assets</b>	<b>129,840,256</b>	<b>884,862,551</b>	<b>303,308</b>	<b>940</b>	<b>1,015,007,055</b>
Trade payables	128,067	718	-	-	128,785
Intercompany payables	5,369,784	-	-	-	5,369,784
Other payables	13,166,069	-	76,349	2,396	13,244,814
<b>Total monetary financial liabilities</b>	<b>18,663,920</b>	<b>718</b>	<b>76,349</b>	<b>2,396</b>	<b>18,743,383</b>

1. Others represent all other currencies aside the three main functional currencies such Yen, AUD, GBP.

	Naira	USD	Euro	Others1	Total
<b>Net financial asset FCY exposure</b>	-	<b>884,861,833</b>	<b>226,959</b>	<b>(1,456)</b>	<b>885,087,336</b>
Sensitivity at 15% appreciation	-	(132,729,275)	(34,044)	218	(132,763,100)
Sensitivity at 15% depreciation	-	132,729,275	34,044	(218)	132,763,100

Authority 31 December 2021	Naira N'000	USD N'000	Euro N'000	Others1 N'000	Total N'000
Cash and cash equivalents	263,842,277	4,893,018	43,212	3,908	268,782,415
Investment securities (at amortised cost)	-	86,883,578	-	-	86,883,578
Investment securities (at FVTPL)	1,626,000	443,926,463	-	-	445,552,463
Other receivables	-	-	-	-	-
Investment securities (at FVOCI)	3,949,437	-	-	-	3,949,437
Loans and receivables	16,850,542	-	-	-	16,850,542
Restricted balances and other assets	87,183,889	275,169,685	-	-	362,353,574
<b>Total monetary financial assets</b>	<b>373,452,145</b>	<b>810,872,744</b>	<b>43,212</b>	<b>3,908</b>	<b>1,184,372,009</b>
Trade payables	50,522	1,008,449	-	-	1,058,971
Intercompany payables	313,565	-	-	-	313,565
Other payables	259,313,628	26,365,650	-	7,923	285,687,201
<b>Total monetary financial liabilities</b>	<b>259,677,715</b>	<b>27,374,099</b>	<b>-</b>	<b>7,923</b>	<b>287,059,737</b>

	Naira	USD	Euro	Others1	Total
<b>Net financial asset FCY exposure</b>	-	<b>783,498,645</b>	<b>43,212</b>	<b>(4,015)</b>	<b>783,537,842</b>
Sensitivity at 15% appreciation	-	(117,524,797)	(6,482)	1,188	(117,530,091)
Sensitivity at 15% depreciation	-	117,524,797	6,482	(1,188)	117,530,091

Effective closing rate as of 31 December 2022 is ₦448.55/ US Dollar (2021: ₦412.99/ US Dollar).

#### 6.4.4 Interest rate risk

NSIA Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or re-price at different times or in differing amounts. Risk management activities are aimed at optimising net interest income and maintaining market interest rate levels consistent with the Group's business strategies.

The table below is a summary of the group's interest rate gap position at the reporting date. All assets, liabilities, and derivatives instruments are allocated to gap intervals based on either their re-pricing or maturity characteristics. The Group's assets and liabilities are included at carrying amount and categorised by the earlier of their contractual re-pricing or maturity dates. Assets and liabilities for which no identifiable contractual repricing or maturity dates exist are allocated to gap intervals based on behavioural profiling.

31 December 2022 Group	Carrying amount N'000	Re-pricing period			Total Gross Nominal N'000
		Less than 1 year N'000	More than 1 year N'000	Non Interest bearing N'000	
Cash and cash equivalents	60,185,675	61,991,245	-	-	61,991,245
Loans and receivables	33,111,169	4,500,756	48,678,821	-	53,179,577
Investment securities					
Investment securities (at amortised cost)	118,006,320	78,725,917	46,360,782	-	125,086,699
Investment securities (at FVOCI)	4,226,209	-	-	4,226,209	4,226,209
Currency swap	167,152,338	-	-	167,152,338	167,152,338
Private equity investments	135,273,206	-	-	135,273,206	135,273,206
Hedge funds and long only equity investments	161,820,876	-	-	161,820,876	161,820,876
Nigeria Infrastructure Debt Fund	1,578,036	-	-	1,578,036	1,578,036
Fixed income products	23,082,776	24,583,156	-	-	24,583,156
US Treasury notes	18,916,854	19,106,023	-	-	19,106,023
Restricted balances and other assets	278,878,587	-	-	278,878,587	278,878,587
	<b>1,002,232,046</b>	<b>188,907,097</b>	<b>95,039,603</b>	<b>748,929,252</b>	<b>1,032,875,952</b>
Lease liability	-	-	-	-	-
Other payables	14,309,855	-	14,309,855	14,309,855	
	14,309,855	-	-	14,309,855	14,309,855
<b>Gaps</b>	<b>987,922,191</b>	<b>188,907,097</b>	<b>95,039,603</b>	<b>734,619,397</b>	<b>1,018,566,097</b>

31 December 2021 Group	Carrying amount N'000	Re-pricing period			Total Gross Nominal N'000
		Less than 1 year N'000	More than 1 year N'000	Non Interest bearing N'000	
Cash and cash equivalents	269,602,956	277,691,045	-	-	277,691,045
Loans and receivables	15,467,411	8,247,039	7,993,742	-	16,240,781
<b>Investment securities</b>	-	-	-	-	-
Investment securities (at amortised cost)	87,388,330	92,631,630	-	-	92,631,630
Investment securities (at FVOCI)	6,233,995	-	-	6,233,995	6,233,995
Currency swap	114,135,963	-	-	114,135,963	114,135,963
Private equity investments	133,654,884	-	-	133,654,884	133,654,884
Hedge funds and long only equity investments	175,088,327	-	-	175,088,327	175,088,327
Nigeria Infrastructure Debt Fund	1,579,957	-	-	1,579,957	1,579,957
Fixed income products	29,622,608	31,548,078	-	-	31,548,078
US Treasury notes	23,929,441	24,168,735	-	-	24,168,735
Restricted balances and other assets	340,764,438	-	-	340,764,438	340,764,438
	<b>1,197,468,310</b>	<b>434,286,527</b>	<b>7,993,742</b>	<b>771,457,564</b>	<b>1,213,737,833</b>
Lease Liabilities	71,243	80,326	-	-	80,326
Other payables	306,605,530	-	-	306,605,530	306,605,530
	306,676,773	80,326	-	306,605,530	306,685,856
<b>Gaps</b>	<b>890,791,537</b>	<b>434,206,201</b>	<b>7,993,742</b>	<b>464,852,034</b>	<b>907,051,977</b>

### Interest rate risk (Continued)

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 interest-bearing financial instruments and the effect on total comprehensive income.

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Currency swap	167,152,338	114,135,963	167,152,338	114,135,963
Private equity investments	135,273,206	133,654,884	84,897,397	101,196,167
Hedge funds and long only equity investments	161,820,876	175,088,327	161,820,876	175,088,327
Nigeria Infrastructure Debt Fund	1,578,036	1,579,957	1,578,036	1,579,957
Fixed income products	23,082,776	29,622,608	23,082,776	29,622,608
US Treasury notes	18,916,854	23,929,441	18,916,854	23,929,441
	<b>507,824,086</b>	<b>478,011,180</b>	<b>457,448,277</b>	<b>445,552,463</b>
Borrowings	-	-	-	-
<b>Net interest earning financial instruments</b>	<b>507,824,086</b>	<b>478,011,180</b>	<b>457,448,277</b>	<b>445,552,463</b>

### Net interest income sensitivity

31 December 2022

(All amounts are in thousands of Naira)

	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	25,391,204	22,872,414
Impact on total comprehensive income	+5%	(25,391,204)	(22,872,414)

31 December 2021

(All amounts are in thousands of Naira)

	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	23,900,559	22,277,623
Impact on total comprehensive income	+5%	(23,900,559)	(22,277,623)

### 6.4.5 Equity 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.

The table below summarises the impact of increases/ decreases on the Group's other comprehensive income and equity. The analysis is based on the assumption that the equity prices had increased/decreased by 5% with all other variables held constant:

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Equity instruments measured at FVOCI	4,226,209	6,233,995	4,226,209	3,949,437
	<b>(4,226,209)</b>	<b>(6,233,995)</b>	<b>(4,226,209)</b>	<b>(3,949,437)</b>

Other comprehensive income would increase/(decrease) as a result of gains/(losses) on equity securities measured at FVOCI by the amounts shown above.

## 7 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 Authority's financial assets (by class) measured at fair value at 31 December 2022. All fair value measurements disclosed are recurring fair value measurements.

Group 31 December 2022 Investment securities at FVOCI	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total 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
	<b>3,024,319</b>	<b>-</b>	<b>1,201,890</b>	<b>4,226,209</b>

31 December 2021 Investment securities at FVOCI	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
NG Clearing Ltd	-	-	1,078,317	1,078,317
The Infrastructure Corporation of Nig Ltd.			100,000	100,000
MTN securities and Bridge Academies Limited	2,771,120	-	2,284,558	5,055,678
	<b>2,771,120</b>	<b>-</b>	<b>3,462,875</b>	<b>6,233,995</b>

Authority 31 December 2022 Investment securities at FVOCI	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total 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
	<b>3,024,319</b>	<b>-</b>	<b>1,201,890</b>	<b>4,226,209</b>

31 December 2021 Investment securities at FVOCI	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
NG Clearing Ltd	-	-	1,078,317	1,078,317
The Infrastructure Corporation of Nig Ltd.			100,000	100,000
MTN securities	2,771,120	-	-	2,771,120
	<b>2,771,120</b>	<b>-</b>	<b>1,078,317</b>	<b>3,949,437</b>



## Financial assets at fair value through profit or loss

Group 31 December 2022	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Currency swap (Note 21.3.1)	-	167,152,338	-	167,152,338
Private equity investments	-	-	135,273,206	135,273,206
Hedge funds and long only equity investments	23,495,626	-	138,325,250	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
	<b>25,073,662</b>	<b>209,151,968</b>	<b>273,598,456</b>	<b>507,824,086</b>

Group 31 December 2021	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Currency swap (Note 21.3.1)	-	114,135,963	-	114,135,963
Private equity investments	-	-	133,654,884	133,654,884
Hedge funds and long only equity investments	31,784,479	-	143,303,848	175,088,327
Nigeria Infrastructure Debt Fund	1,579,957	-	-	1,579,957
US Treasury notes	-	23,929,441	-	23,929,441
Fixed income products	-	29,622,608	-	29,622,608
	<b>33,364,436</b>	<b>167,688,012</b>	<b>276,958,732</b>	<b>478,011,180</b>

Authority 31 December 2022	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Currency swap (Note 21.3.1)	-	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
	<b>25,043,154</b>	<b>209,151,968</b>	<b>223,253,155</b>	<b>457,448,277</b>

31 December 2021	N'000	N'000	N'000	N'000
Currency swap (Note 21.3.1)	-	114,135,963	-	114,135,963
Private equity investments	-	-	101,196,167	101,196,167
Hedge funds and long only equity investments	30,703,576	-	144,384,751	175,088,327
Nigeria Infrastructure Debt Fund	1,579,957	-	-	1,579,957
US Treasury notes	-	23,929,441	-	23,929,441
Fixed income products	-	29,622,608	-	29,622,608
	<b>32,283,533</b>	<b>167,688,012</b>	<b>245,580,918</b>	<b>445,552,463</b>

### (a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at 31 December 2022. 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 year.

**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 year ended 31 December 2022 for financial assets measured at FVOCI.

Financial assets measured at FVOCI - NG Clearing Ltd. and InfraCo Nigeria Ltd.	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Opening balance	3,362,875	2,491,546	1,178,317	1,081,666
Disposal	(2,591,390)	-	-	-
Fair value movement	315,525	744,886	23,573	(3,349)
Exchange difference	14,880	126,443	-	-
<b>Closing balance</b>	<b>1,101,890</b>	<b>3,362,875</b>	<b>1,201,890</b>	<b>1,178,317</b>

The key assumptions to the valuation of level 3 instruments includes the Group's ability to strengthen its market position through effective geographical expansion and its ability to improve its profitability by increasing EBITDA margins. The key inputs to the valuation technique used by the group are revenue and EBITDA margins.

Financial assets at fair value through profit or loss - Private equity	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Opening balance	133,654,884	87,717,248	101,196,167	64,174,315
Additions	15,892,913	36,394,563	(168,342)	27,919,840
Disposals, repayments, and distributions received	(23,048,148)	(13,290,295)	(21,079,322)	(11,355,891)
Fair value movement	(4,198,608)	14,539,788	(2,209,122)	14,000,532
Exchange gain	12,972,165	8,293,580	7,158,016	6,457,371
<b>Closing balance</b>	<b>135,273,206</b>	<b>133,654,884</b>	<b>84,897,397</b>	<b>101,196,167</b>

Financial assets at fair value through profit or loss - Hedge funds	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Opening balance	175,088,327	119,429,965	175,088,327	119,429,965
Additions	23,745,559	41,290,320	23,745,559	41,290,320
Disposals, repayments and distributions received	(23,738,993)	(13,154,635)	(23,738,993)	(13,154,635)
Fair value movement	(25,945,221)	14,941,905	(25,945,221)	14,941,905
Exchange gain/(loss)	12,671,204	12,580,772	12,671,204	12,580,772
<b>Closing balance</b>	<b>161,820,876</b>	<b>175,088,327</b>	<b>161,820,876</b>	<b>175,088,327</b>

## Sensitivity analysis of fair value movements for level 3 financial assets measured at FVOCI

The table below shows the sensitivity analysis to enterprise value/EBITDA multiple for level 3 financial assets measured at FVOCI:

### Net fair value sensitivity

**31 December 2022**

(All amounts are in thousands 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)

**31 December 2021**

(All amounts are in thousands of Naira)

	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	(37,244)	167
Impact on total comprehensive income	+5%	37,244	(167)

The table below shows the sensitivity analysis of financial assets measured at FVTPL

### Net fair value sensitivity

**31 December 2022**

(All amounts are in thousands of Naira)

	Changes (%)	Group	Authority
Impact on total comprehensive income	-5%	209,930	110,456
Impact on total comprehensive income	+5%	(209,930)	(110,456)

**31 December 2021**

(All amounts are in thousands of Naira)

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

## 7.1.1 Fair value hierarchy of financial assets and Group financial liabilities not measured at fair value

**31 December 2022**

In thousands of Naira

	Carrying value	Level 1	Level 2	Level 3	Fair value
<b>Financial assets</b>					
Other receivables	266,634,939	-	-	267,326,090	267,326,090
Trade receivables	11,305,754	-	-	11,335,060	11,335,060
Loans and receivables	32,610,185		33,111,169	33,111,169	
Restricted balances and other assets [a]	216,875	-	217,437	-	217,437
Financial assets measured at amortised cost [b]	116,020,081	-	118,006,320	-	118,006,320
	<b>426,787,834</b>	<b>-</b>	<b>118,223,757</b>	<b>311,772,319</b>	<b>429,996,076</b>
<b>Financial liabilities</b>					
Borrowings	-	-	-	-	-
Trade payables	268,401	-	-	268,401	268,401
Other payables	13,976,264	-	-	13,976,264	13,976,264
Payables to Federal Government in respect of the Second Niger Bridge	65,190	-	-	65,190	65,190
	<b>14,309,855</b>	<b>-</b>	<b>-</b>	<b>14,309,855</b>	<b>14,309,855</b>

**31 December 2021***In thousands of Naira*

	Carrying value	Level 1	Level 2	Level 3	Fair value
<b>Financial assets</b>					
Other receivables	260,749,732	-	-	260,749,732	260,749,732
Trade receivables	59,598,400	-	-	59,598,400	59,598,400
" Cost incurred on behalf of related party in respect of Second Niger Bridge "	16,070,532	-	-	16,070,532	16,070,532
Loans and receivables	15,467,411			15,666,796	15,666,796
Restricted balances and other assets [a]	4,097,599	-	4,109,871	-	4,109,871
Financial assets measured at amortised cost [b]	87,388,330	-	87,961,896	-	87,961,896
	<b>443,372,004</b>	<b>-</b>	<b>92,071,767</b>	<b>352,085,460</b>	<b>444,157,227</b>
<b>Financial liabilities</b>					
Borrowings	-	-	-	-	-
Trade payables	1,092,940	-	-	1,092,940	1,092,940
Other payables	286,511,515	-	-	286,511,515	286,511,515
Payables to Federal Government in respect of the Second Niger Bridge	19,001,075	-	-	19,001,075	19,001,075
	<b>306,605,530</b>	<b>-</b>	<b>-</b>	<b>306,605,530</b>	<b>306,605,530</b>

**Authority****31 December 2022**

	Carrying value	Level 1	Level 2	Level 3	Fair value
<i>In thousands of Naira</i>					
<b>Financial assets</b>					
Other receivables	271,534,747	-	-	272,134,529	272,134,529
Account receivables	10,428,137	-	-	10,451,172	10,451,172
Intercompany receivables	70,688,208	-	-	70,844,348	70,844,348
Loans and receivables	23,360,168	-	-	23,741,812	23,741,812
Financial assets measured at amortised cost [b]	114,900,616	-	116,886,855	-	116,886,855
	<b>490,911,876</b>	<b>-</b>	<b>116,886,855</b>	<b>377,171,861</b>	<b>494,058,716</b>
<b>Financial liabilities</b>					
Trade payables	128,785	-	-	128,785	128,785
Intercompany payables	5,369,784	-	-	5,369,784	5,369,784
Other payables	13,244,814	-	-	13,244,814	13,244,814
	<b>18,743,383</b>	<b>-</b>	<b>-</b>	<b>18,743,383</b>	<b>18,743,383</b>

**31 December 2021***In thousands of Naira*

	Carrying value	Level 1	Level 2	Level 3	Fair value
<b>Financial assets</b>					
Other receivables	261,359,636	-	-	261,359,636	261,359,636
Account receivables	54,520,335	-	-	54,520,335	54,520,335
Intercompany receivables	46,138,238	-	-	46,138,238	46,138,238
Loans and receivables	17,012,085	-	-	17,012,085	17,012,085
Financial assets measured at amortised cost [b]	87,457,144	-	87,457,144	-	87,457,144
	<b>466,487,438</b>	<b>-</b>	<b>87,457,144</b>	<b>379,030,294</b>	<b>466,487,438</b>
<b>Financial liabilities</b>					
Trade payables	1,058,971	-	-	1,058,971	1,058,971
Intercompany payables	313,565	-	-	313,565	313,565
Other payables	285,615,958	-	-	285,615,958	285,615,958
	<b>286,988,494</b>	<b>-</b>	<b>-</b>	<b>286,988,494</b>	<b>286,988,494</b>

Below are the methodologies and assumptions used to determine the fair values of the above level 2 financial instruments, which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

**[a] Restricted balances and other assets**

The estimated fair value of restricted balances and other assets not quoted in an active market is based on discounted cash flows using interest rates for such categories of such financial assets, with similar remaining maturity to determine its reasonable approximation of fair value.

**[b] Financial assets measured at amortised cost**

The estimated fair value of the instruments categorised here represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

**8 Fund information**

The Authority has three Funds: Stabilisation Fund (SF), Future Generations Fund (FGF), and Nigeria Infrastructure Fund (NIF). Each of the Funds is managed separately as they entail different investment objectives and strategies and contain investments in different products.

For each of the Funds, the management reviews the internal management report. The objective and principal investment products of the respective reportable segments are as follows:

Stabilisation Fund (SF)	To provide stabilisation support to the Federation in times of economic stress.
Future Generation Fund (FGF)	To invest in a diversified portfolio of appropriate growth investments in order to provide future generation of Nigerians a solid savings base for such a time as the hydrocarbon reserves in Nigeria are exhausted.
Nigeria Infrastructure Fund (NIF)	To invest in infrastructure projects in Nigeria that meet our targeted financial returns and contribute to the development of essential infrastructure in Nigeria.

Information regarding the results of each Fund is included below. Performance is measured based on Fund as included in the internal management reports. Funds profitability is used to measure performance as the directors believe that such information is most relevant in evaluating the profitability of each fund.

31 December 2022	Stabilisation Fund N'000	Future Generations Fund N'000	Nigeria Infrastructure Fund N'000	Unallocated N'000	Total N'000
Interest income	858,118	2,128,993	6,491,861	-	9,478,972
Investment income	379,854	3,436,515	279,219	-	4,095,588
Interest income on instrument measured at FVPL	6,244,701	7,907,397	27,501,612	-	41,653,710
Net gain on financial assets	1,094,769	(41,139,630)	41,692,937	-	1,648,076
Net foreign exchange gain/(loss)	4,548,359	13,817,120	25,861,167	-	44,226,646
<b>Total operating segment income</b>	<b>13,125,801</b>	<b>(13,849,605)</b>	<b>101,826,796</b>	<b>-</b>	<b>101,102,992</b>
Investment management fees	(37,910)	(1,416,209)	(2,891)	-	(1,457,010)
Local custodian fees	(8,809)	(10,460)	(36,250)	-	(55,519)
Global custodian fees	(28,958)	(117,635)	(6,274)	-	(152,867)
Impairment charge on financial assets	(43,878)	(607,424)	(783,121)	-	(1,434,423)
<b>Total operating fund profit</b>	<b>13,006,246</b>	<b>(16,001,333)</b>	<b>100,998,260</b>	<b>-</b>	<b>98,003,173</b>
Revenue from infrastructure subsidiaries investment	-	-	3,186,401	-	3,186,401
Expense from infrastructure subsidiaries investment	-	-	(920,345)	-	(920,345)
<b>Profit from infrastructure subsidiaries investment</b>	<b>-</b>	<b>-</b>	<b>2,266,056</b>	<b>-</b>	<b>2,266,056</b>
Fiduciary and Other income	-	-	284,143	6,795,939	7,080,082
Operating and administrative expenses	(6,631)	(2,928,178)	(5,130,683)	(155,090)	(8,220,582)
Share of profit of investment in associate	-	-	3,223,076	-	3,223,076
<b>Profit before tax</b>	<b>12,999,615</b>	<b>(18,929,511)</b>	<b>101,640,852</b>	<b>6,640,849</b>	<b>102,351,805</b>
Taxation	-	(834)	-	-	(834)
<b>Profit for the year from continuing operations</b>	<b>12,999,615</b>	<b>(18,930,345)</b>	<b>101,640,852</b>	<b>6,640,849</b>	<b>102,350,971</b>
<b>Profit for the year</b>	<b>12,999,615</b>	<b>(18,930,345)</b>	<b>101,640,852</b>	<b>6,640,849</b>	<b>102,350,971</b>
<b>Profit attributable to:</b>					
Owners of NSIA	12,999,615	(18,930,345)	101,664,202	6,640,849	102,374,321
Non-controlling interest	-	-	(23,350)	-	(23,350)
	<b>12,999,615</b>	<b>(18,930,345)</b>	<b>101,640,852</b>	<b>6,640,849</b>	<b>102,350,971</b>
<b>Reportable fund assets</b>					
Cash and cash equivalents	24,455,802	28,587,668	7,142,205	-	60,185,675
Investment securities	28,294,480	367,067,145	232,708,751	-	628,070,376
Loans and receivables	-	-	32,610,185	-	32,610,185
Other assets	8,186,562	200,316,632	69,986,664	-	278,489,858
Inventories	-	-	198,013	-	198,013
Investments accounted for using the equity method	-	-	27,766,212	-	27,766,212
Property and equipment	-	-	4,180,904	938,495	5,119,399
Right of use assets	-	-	166,911	6,751	173,662
Intangible assets	-	-	45,112	49,991	95,103
	<b>60,936,844</b>	<b>595,971,445</b>	<b>374,804,957</b>	<b>995,237</b>	<b>1,032,708,483</b>
<b>Reportable fund liabilities</b>					
Other liabilities	(4,971,631)	(5,116,105)	(5,931,815)	-	(16,019,550)
	<b>(4,971,631)</b>	<b>(5,116,105)</b>	<b>(5,931,815)</b>	<b>-</b>	<b>(16,019,550)</b>



31 December 2021	Stabilisation Fund N'000	Future Generations Fund N'000	Nigeria Infrastructure Fund N'000	Unallocated N'000	Total N'000
Interest income	346,298	847,439	4,281,668	183,116	5,658,521
Investment income	52,655	4,491,857	122,277	(124,620)	4,542,169
Interest income on instrument measured at FVPL	4,471,695	7,632,773	21,797,967	(194,193)	33,708,242
Net gain on financial assets	2,752,293	37,201,548	17,141,246	(181,835)	56,913,252
Net foreign exchange gain/(loss)	9,300,784	27,232,859	10,732,888	(1,491,619)	45,774,912
<b>Total operating segment income</b>	<b>16,923,725</b>	<b>77,406,476</b>	<b>54,076,046</b>	<b>(1,809,151)</b>	<b>146,597,096</b>
Investment management fees	(25,025)	(1,190,074)	(3,037)	-	(1,218,136)
Local custodian fees	(8,421)	(10,797)	(24,717)	(329)	(44,264)
Foreign custodian fees	(24,723)	(100,432)	(9,134)	(10,121)	(144,410)
Impairment charge on financial assets	54,100	253,205	237,484	-	544,789
<b>Total operating fund profit</b>	<b>16,919,656</b>	<b>76,358,378</b>	<b>54,276,642</b>	<b>(1,819,601)</b>	<b>145,735,075</b>
Revenue from infrastructure subsidiaries investment	-	-	2,007,165	-	2,007,165
Expense from infrastructure subsidiaries investment	-	-	(575,920)	-	(575,920)
<b>Loss from infrastructure subsidiaries investment</b>	<b>-</b>	<b>-</b>	<b>1,431,245</b>	<b>-</b>	<b>1,431,245</b>
Fiduciary and Other income	-	238,508	445,803	3,621,421	4,305,732
Operating and administrative expenses	-	(774,755)	(2,447,844)	(3,749,033)	(6,971,632)
Finance cost	-	-	(3,058)	-	(3,058)
Share of profit of investment in associate	-	-	4,038,065	-	4,038,065
<b>Profit before tax</b>	<b>16,919,656</b>	<b>75,822,131</b>	<b>57,740,853</b>	<b>(1,947,213)</b>	<b>148,535,427</b>
Taxation	-	(1,743)	-	-	(1,743)
<b>Profit for the year from continuing operations</b>	<b>16,919,656</b>	<b>75,820,388</b>	<b>57,740,853</b>	<b>(1,947,213)</b>	<b>148,533,684</b>
Profit from discontinued operations				5,026,703	5,026,703
<b>Profit for the year</b>	<b>16,919,656</b>	<b>75,820,388</b>	<b>57,740,853</b>	<b>3,079,490</b>	<b>153,560,387</b>
<b>Profit attributable to:</b>					
Owners of NSIA	16,919,656	75,820,388	57,797,758	3,079,490	153,617,292
Non-controlling interest	-	-	(56,905)	-	(56,905)
	<b>16,919,656</b>	<b>75,820,388</b>	<b>57,740,853</b>	<b>3,079,490</b>	<b>153,560,387</b>
<b>Reportable fund assets</b>					
Cash and cash equivalents	53,121,833	83,249,411	133,231,712	-	269,602,956
Investment securities	71,117,521	337,107,457	177,918,857	(14,510,330)	571,633,505
Loans and receivables	-	-	11,764,428	3,702,983	15,467,411
Other assets	22,430,426	100,727,084	232,804,462	(15,197,534)	340,764,438
Inventories	-	-	142,746	-	142,746
" Investments accounted for using the equity method "	-	3,000	20,056,592	4,620,417	24,680,009
Property and equipment	-	-	4,647,569	513,480	5,161,049
Right of use assets	-	-	177,856	73,414	251,270
Intangible assets	-	-	40,876	84,819	125,695
	<b>146,669,780</b>	<b>521,086,952</b>	<b>580,785,098</b>	<b>(20,712,751)</b>	<b>1,227,829,079</b>
<b>Reportable fund liabilities</b>					
Other liabilities	(1,078,138)	(31,258,178)	(33,705,043)	(242,061,070)	(308,102,429)
	<b>(1,078,138)</b>	<b>(31,258,178)</b>	<b>(33,705,043)</b>	<b>(242,061,070)</b>	<b>(308,102,429)</b>

**9 Interest income on financial assets at amortised cost**

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Interest income on Nigerian treasury bills	51,987	-	51,987	-
Interest income on Loans	1,634,241	767,649	1,460,591	704,010
Interest income on Fixed Deposits	4,770,983	4,685,632	4,729,342	4,682,724
Interest Income on Commercial Papers	4,869	-	4,869	-
Interest income on Eurobonds	2,677,793	189,658	2,677,793	189,658
Interest income on Bank Balances	339,099	15,582	338,494	15,492
	<b>9,478,972</b>	<b>5,658,521</b>	<b>9,263,076</b>	<b>5,591,884</b>

**10 Investment income**

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Investment income from securities (10.1)	4,095,588	4,542,169	4,144,350	3,352,806
	4,095,588	4,542,169	4,144,350	3,352,806
10.1 Investment income comprises the following				
Dividend from ordinary equity investments	881,717	57,603	1,000,629	239,825
Income distribution by fund managers	2,933,370	3,564,748	3,087,871	2,663,105
Investment Income-FVTPL Securities	280,501	919,818	55,850	449,876
	<b>4,095,588</b>	<b>4,542,169</b>	<b>4,144,350</b>	<b>3,352,806</b>

**11 Interest income on financial assets at FVTPL**

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Interest income on US Treasury note	72,770	500,194	72,770	500,194
Interest income from fixed income products	332,272	271,605	332,272	271,605
Interest income on Open Market Operations bill	41,248,668	32,936,443	41,248,668	32,936,443
	<b>41,653,710</b>	<b>33,708,242</b>	<b>41,653,710</b>	<b>33,708,242</b>

**12 Net gain on financial assets at FVTPL**

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Net gain on financial assets at fair value through profit or loss (Note 12.1)	1,898,692	56,898,356	3,772,937	56,449,910
Net fair value gain/loss and trading income on US treasury notes and fixed income products	(250,616)	14,896	(250,616)	14,896
	<b>1,648,076</b>	<b>56,913,252</b>	<b>3,522,321</b>	<b>56,464,806</b>

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

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Unrealised fair value gain on financial swap	4,233,252	9,086,051	4,233,252	9,086,051
Realised fair value gain on financial swap	25,171,976	17,382,117	25,171,976	17,382,117
Fair value changes on private equity, hedge funds and other securities	(32,151,060)	28,260,964	(30,276,816)	27,812,518
Net gain on sale of equity instruments	4,644,525	2,169,224	4,644,525	2,169,224
	<b>1,898,692</b>	<b>56,898,356</b>	<b>3,772,937</b>	<b>56,449,910</b>

**13 Net foreign exchange gain**

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Net foreign exchange gain (13.1)	44,226,646	45,774,912	38,484,622	45,800,056
	<b>44,226,646</b>	<b>45,774,912</b>	<b>38,484,622</b>	<b>45,800,056</b>

**13.1** Net foreign exchange gain represents net gains or losses from revaluation of Authority's foreign denominated financial assets. The closing rate used for translation of financial assets as at 31st December 2022 was US\$1:₦448.55 (2021: US\$1:₦412.99).

#### 14 Impairment charge/(write back) on financial assets/Investments

	Group 31 December 2022 ₦'000	Group 31 December 2021 ₦'000	Authority 31 December 2022 ₦'000	Authority 31 December 2021 ₦'000
Financial assets at amortised cost	(1,434,423)	544,789	(1,049,418)	544,789
Impairment on Investments (26b)	-	-	-	(886,797)
	<b>(1,434,423)</b>	<b>544,789</b>	<b>(1,049,418)</b>	<b>(342,008)</b>

**14.1** The following tables explain the changes in the loss allowance of financial assets between the beginning and the end of the annual period:

Group 31 December 2022	Stage 1 12-month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Purchased credit- impaired ₦'000	Total ₦'000
Loss allowance as at 1 January 2022	1,792,736	-	-	-	1,792,736
<b>Movements with P/L impact</b>					
Decrease in ECL arising from net increase in gross carrying amount of financial assets.	1,434,423	-	-	-	1,434,423
Assets derecognised during the period	(18,916)	-	-	-	(18,916)
<b>Total net P/L charge during the period</b>	<b>1,434,423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,434,423</b>
Loss allowance as at 31 December 2022	<b>3,208,243</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,208,243</b>

Group 31 December 2021	Stage 1 12-month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Purchased credit- impaired ₦'000	Total ₦'000
Loss allowance as at 1 January 2021	2,337,526	-	-	-	2,337,526
<b>Movements with P/L impact</b>					
Decrease in ECL arising from net increase in gross carrying amount of financial assets.	(544,790)	-	-	-	(544,790)
<b>Total net P/L charge during the period</b>	<b>(544,790)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(544,790)</b>
Loss allowance as at 31 December 2021	<b>1,792,736</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,792,736</b>

Authority 31 December 2022	Stage 1 12-month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Purchased credit- impaired ₦'000	Total ₦'000
Loss allowance as at 1 January 2022	2,097,422	-	-	-	2,097,422
<b>Movements with P/L impact</b>					
Changes on financial assets during the year	1,049,418	-	-	-	1,049,418
<b>Total net P/L charge during the period</b>	<b>1,049,418</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,049,418</b>
Loss allowance as at 31 December 2022	<b>3,146,840</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,146,840</b>

Authority 31 December 2021	Stage 1 12-month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Purchased credit- impaired ₦'000	Total ₦'000
Loss allowance as at 1 January 2021	2,642,211	-	-	-	2,642,211
<b>Movements with P/L impact</b>					
Changes on financial assets during the year	(544,789)	-	-	-	(544,789)
<b>Total net P/L charge during the period</b>	<b>(544,789)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(544,789)</b>
Loss allowance as at 31 December 2021	<b>2,097,422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,097,422</b>

#### Other movements with no P&L impact

There were no transfers across the stage 1 to stage 3 and there was no write off during the year.

**15 Infrastructure operating revenue**

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Revenue from healthcare facilities	3,186,401	2,007,165	-	-
	<b>3,186,401</b>	<b>2,007,165</b>	-	-

Revenue from healthcare facilities represents revenue from facilities such as MRI, Ultrasound, X-Ray, and other laboratory services.

All revenues from infrastructure subsidiaries investments are recognised at a point in time.

**16 Infrastructure operating expenses**

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Cost of providing health services	920,345	575,920	-	-
	<b>920,345</b>	<b>575,920</b>	-	-

**17 Fiduciary and Other income**

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Fiduciary income	6,795,939	4,180,355	6,795,939	4,180,355
Other operating income	284,143	125,377	252,783	79,561
	<b>7,080,082</b>	<b>4,305,732</b>	<b>7,048,722</b>	<b>4,259,916</b>

In 2022, ₦6.795 billion fiduciary income relates to fund management fees earned and costs recovered from the Presidential Infrastructure Development Fund (₦1.39 billion), PFI-NPK Funds (₦4.91 billion), CBN NESI Fund (₦360 million) and Kano Solar Power Project (₦120 million). In 2021, ₦4.18 billion fiduciary income relates to fund management fees earned from the Presidential Infrastructure Development Fund (₦814.1 million), PFI-NPK Funds (₦3 billion) and CBN NESI Fund (₦365.8 million).

**18 Depreciation and amortisation**

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Depreciation of PPE and right of use assets	914,529	819,939	339,443	267,393
Amortisation of intangible assets (see note 30)	70,327	98,820	34,828	36,464
	<b>984,856</b>	<b>918,759</b>	<b>374,271</b>	<b>303,857</b>

**19 Operating and administrative expenses**

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Personnel expenses (see 19.1)	3,106,167	3,201,780	2,337,570	2,589,449
Directors expenses (Non-executives)	155,090	86,133	141,173	64,177
Audit fees	143,996	97,322	90,932	69,948
Non-audit fees (see 19.2)	22,500	15,000	22,500	15,000
Other professional fees	914,120	893,708	745,353	775,069
General and administrative expenses	1,600,558	902,343	1,212,665	716,976
Office maintenance costs and other expenses	815,076	669,449	417,592	269,294
Travel expenses	478,219	187,138	457,097	172,693
	<b>7,235,726</b>	<b>6,052,873</b>	<b>5,424,882</b>	<b>4,672,606</b>

## 19.1 Personnel expenses

Salaries and allowances	2,932,183	3,061,388	2,191,328	2,449,057
Defined contribution plan	173,984	140,392	146,242	140,392
	<b>3,106,167</b>	<b>3,201,780</b>	<b>2,337,570</b>	<b>2,589,449</b>

19.2 Non-audit fees relate to the fees paid to the group's external auditors (PricewaterhouseCoopers) for quarterly review of financial statements. Below are further details in respect of the services rendered.

Name of firm	Name of signer	FRC number	Services rendered	Amount (N '000)
PricewaterhouseCoopers Nigeria	Tolulope Adeleke	FRC/2014/ICAN/00000008319	Review services	22,500

## 20 Interest expense

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Interest on lease liabilities	-	3,058	-	3,058
	<b>-</b>	<b>3,058</b>	<b>-</b>	<b>3,058</b>

## 21 Cash and cash equivalents

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Cash on hand	21,396	107,362	2,900	4,592
Bank balances	14,093,317	265,167,097	13,199,991	264,449,326
Money market placements	46,070,962	4,328,497	46,070,962	4,328,497
	<b>60,185,675</b>	<b>269,602,956</b>	<b>59,273,853</b>	<b>268,782,415</b>

Cash at banks earn interest at floating interest rates based on daily bank deposit rates. Money market placements are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Money market placements also entails term deposits of tenors of less than 90 days.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at 31 December:

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Cash on hand	21,396	107,362	2,900	4,592
Bank balances	14,093,317	265,167,097	13,199,991	264,449,326
Money market placements	46,070,962	4,328,497	46,070,962	4,328,497
	<b>60,185,675</b>	<b>269,602,956</b>	<b>59,273,853</b>	<b>268,782,415</b>

## 22 Investment securities

		Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Financial assets measured at amortised cost	22.1	116,020,081	87,388,330	114,900,616	86,883,578
Financial assets measured at FVOCI	22.2	4,226,209	6,233,995	4,226,209	3,949,437
Financial assets at fair value through profit or loss	22.3	507,824,086	478,011,180	457,448,277	445,552,463
		<b>628,070,376</b>	<b>571,633,505</b>	<b>576,575,102</b>	<b>536,385,478</b>

## 22.1 Financial assets measured at amortised cost

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Eurobond	46,360,782	7,613,088	46,360,782	7,613,088
Commercial papers	1,004,491	-	1,004,491	-
Fixed deposits	70,641,047	80,348,808	69,521,582	79,844,056
	118,006,320	87,961,896	116,886,855	87,457,144
Expected credit loss on financial assets at amortised cost (22.1.1)	(1,986,239)	(573,566)	(1,986,239)	(573,566)
	<b>116,020,081</b>	<b>87,388,330</b>	<b>114,900,616</b>	<b>86,883,578</b>
Maturity analysis:				
Current	69,659,299	79,775,242	68,539,834	79,270,490
Non-current	46,360,782	7,613,088	46,360,782	7,613,088
	<b>116,020,081</b>	<b>87,388,330</b>	<b>114,900,616</b>	<b>86,883,578</b>

### 22.1.1 Impairment /Expected Credit loss

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
As at 1 January	573,566	636,031	573,566	636,031
(Write back)/charge for the year	1,412,673	(62,465)	1,412,673	(62,465)
Provision for expected credit losses	1,986,239	573,566	1,986,239	573,566
<b>As at 31 December</b>	<b>1,986,239</b>	<b>573,566</b>	<b>1,986,239</b>	<b>573,566</b>

## 22.2 Financial assets measured at FVOCI

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
<b>Equity instruments</b>				
NG Clearing Ltd	1,101,890	1,078,317	1,101,890	1,078,317
The Infrastructure Corporation of Nig. Limited	100,000	100,000	100,000	100,000
MTN securities and Bridge Academies Limited*	3,024,319	5,055,678	3,024,319	2,771,120
	<b>4,226,209</b>	<b>6,233,995</b>	<b>4,226,209</b>	<b>3,949,437</b>
Maturity analysis:				
Non-current	4,226,209	6,233,995	4,226,209	3,949,437
	<b>4,226,209</b>	<b>6,233,995</b>	<b>4,226,209</b>	<b>3,949,437</b>

\*At group level, this amount represents only the fair value of Authority's investments in MTN securities as at the end of 31 December 2022, as NSIA's investments in Bridge Academies Ltd worth of US\$5 million was sold during 2022 financial year.

## 22.3 Financial assets at fair value through profit or loss

	31 December 2022 N'000	31 December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
Currency swap (Note 22.3.1)	167,152,338	114,135,963	167,152,338	114,135,963
Private equity investments	135,273,206	133,654,884	84,897,397	101,196,167
Hedge funds and long only equity investments	161,820,876	175,088,327	161,820,876	175,088,327
Nigeria Infrastructure Debt Fund	1,578,036	1,579,957	1,578,036	1,579,957
Fixed income products	23,082,776	29,622,608	23,082,776	29,622,608
US Treasury notes	18,916,854	23,929,441	18,916,854	23,929,441
	<b>507,824,086</b>	<b>478,011,180</b>	<b>457,448,277</b>	<b>445,552,463</b>
Maturity analysis:				
Current	186,069,192	138,065,403	186,069,192	138,065,403
Non-current	321,754,894	339,945,777	271,379,085	307,487,060
	<b>507,824,086</b>	<b>478,011,180</b>	<b>457,448,277</b>	<b>445,552,463</b>



**22.3.1** For swap instruments, the balance in 2022 shows the fair value of the financial assets arising from the currency swap transactions with the Central Bank of Nigeria (CBN) and the underlying asset. The derivative liability and the underlying asset have been offset in line with the requirement of IFRS. The notional contract amount of US\$499.5 million (2021: US\$280 million) represents the basis on which the changes in fair value were measured. The notional amount indicates that the volume of transactions as at the year end and are indicative of neither the market risk nor the credit risk.

## 23 Loans and receivables

	Group 31 December 2022 ₦'000	Group 31 December 2021 ₦'000	Authority 31 December 2022 ₦'000	Authority 31 December 2021 ₦'000
Stop gap fund to Presidential Infrastructure Development Funds (PIDF)	-	10,357,534	-	10,357,534
Intercompany loans [1]	-	-	-	6,654,551
Loan to PFI-NPK Limited	23,741,812	-	23,741,812	-
Loan to Kasi Cloud Limited	3,932,417	-	-	-
Loan to Metrowaves Sports & Infra Ltd.	4,868,601	4,236,412	-	-
Loan to Babban Gona Farmer Services Nigeria Ltd.	568,339	1,072,850	-	-
	33,111,169	15,666,796	23,741,812	17,012,085
Impairment /Expected Credit loss (23.1)	(500,984)	(199,385)	(381,644)	(161,543)
<b>Carrying amount</b>	<b>32,610,185</b>	<b>15,467,411</b>	<b>23,360,168</b>	<b>16,850,542</b>
Maturity analysis:				
Current	568,339	10,357,535	0	10,357,534
Non-current	32,041,846	5,109,876	23,360,168	6,493,008
	<b>32,610,185</b>	<b>15,467,411</b>	<b>23,360,168</b>	<b>16,850,542</b>

[1] The intercompany loans for 2021 include Authority's loans of ₦3.28 billion to LUTH Advanced Medical Services Limited, ₦1.67 billion to AKTH Advanced Medical Diagnostics Limited, and ₦1.70 billion to FMCU Advanced Medical Diagnostics Limited, and these in 2022 have been (upon the Board's approval) subsequently converted to Deposits for shares.

### 23.1 Impairment/expected credit loss on Loans and receivables

	Group 31 December 2022 ₦'000	Group 31 December 2021 ₦'000	Authority 31 December 2022 ₦'000	Authority 31 December 2021 ₦'000
As at 1 January	199,385	-	161,543	-
Reclassification	(128,404)		(128,404)	-
Charge/(write back) for the year	430,004	199,385	348,505	161,543
Provision for expected credit losses	500,984	199,385	381,644	161,543
<b>As at 31 December</b>	<b>500,984</b>	<b>199,385</b>	<b>381,644</b>	<b>161,543</b>

The gross carrying amount of loans increased significantly during 2021, which consequently led to increased loans loss allowance. Hence, the expected credit loss on loans and receivables as at 31 December 2021, was induced by ₦10.4 billion PIDF loans that originated during 2021 financial year and this was subsequently paid down in 2022. Metrowave loans persist in 2022 while Kasi Cloud was added during the year under review.

## 24 Restricted balances and other assets

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
<b>Financial assets:</b>				
Other receivables (24.1)	267,326,090	261,530,631	272,134,529	262,342,582
Account receivables <sup>[3]</sup>	11,335,060	59,776,886	10,451,172	54,725,380
Intercompany receivables	-	-	70,844,348	46,311,759
Cost incurred on behalf of the Federal Government of Nigeria <sup>[1]</sup>	-	16,118,660	-	-
Restricted balances <sup>[2]</sup>	217,437	4,109,871	-	213,835
	<b>278,878,587</b>	<b>341,536,048</b>	<b>353,430,049</b>	<b>363,593,556</b>
Impairment/Expected Credit loss (24.2)	(721,019)	(1,019,785)	(778,957)	(1,362,313)
Total financial assets	278,157,568	340,516,263	352,651,092	362,231,243
<b>Non-financial assets:</b>				
Prepayment	332,290	248,175	161,948	122,331
Total other assets	278,489,858	340,764,438	352,813,040	362,353,574
Maturity analysis:				
Current	218,353,680	301,458,542	292,709,685	323,047,677
Non-current	60,136,178	39,305,896	60,103,355	39,305,897
	<b>278,489,858</b>	<b>340,764,438</b>	<b>352,813,040</b>	<b>362,353,574</b>

- [1] Costs incurred on behalf of the Federal Government of Nigeria relate to the expenses the Group has borne for the Second Niger Bridge project.
- [2] Restricted balances relates to cash and investments held by NSIA Motorways Investment Company Limited on behalf of the Federal Government, which are not available for use in the Authority's daily operations. Restricted balances include investments in swap contracts that were reinvested from matured fixed deposits proceeds belonging to the Federal Government of Nigeria in relation to the Second Niger Bridge project. These balances are not available for use in the Group's liquidity management activities and do not represent any of its investment securities. 2022: cash: ₦217.4 million (2021: Fixed deposits ₦3.54 billion and Cash: ₦356.4 million).
- [3] This largely relates to a sum of ₦2.7 billion receivable from CBN NESI and ₦192.6 million fees receivable from Kano Solar Projects. The remaining balances represent outstanding balances from other third-party funds.

### 24.1 Other receivables

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
LUTH Advanced Medical Service-Deposit for Shares	-	-	5,173,799	1,182,811
Receivable from Presidential Infrastructure Development Fund	2,343,797	9,973,222	2,343,798	9,973,222
Matured Swap Proceed Receivable	263,747,400	251,130,464	263,747,400	251,130,464
Receivable: Others	1,234,893	426,861	869,532	56,001
Receivables from Associates & Joint Ventures	-	84	-	84
	<b>267,326,090</b>	<b>261,530,631</b>	<b>272,134,529</b>	<b>262,342,582</b>

## 24.2 Impairment/expected credit loss on other assets

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
As at 1 January	1,019,785	1,701,494	1,362,313	200,618
Reclassification from loans and receivables	128,404	-	128,404	-
Asset derecognised	(18,916)	-	-	-
Charge/(write back) for the year	(408,254)	(681,709)	(711,760)	(643,867)
Provision for expected credit losses	721,019	1,019,785	778,957	1,362,313
<b>As at 31 December</b>	<b>721,019</b>	<b>1,019,785</b>	<b>778,957</b>	<b>1,362,313</b>

Reclassification from loans and receivables represents the ECL on intercompany loans in 2021 previously recognised as part of ECL on loans in which those balances were subsequently classified in 2022 as intercompany receivables, hence, the need for the disclosures on the ECL change.

## 25 Inventories

	Group December 31 2022 N'000	Group December 31 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Finished goods*	198,013	142,746	-	-
	<b>198,013</b>	<b>142,746</b>	-	-
Maturity analysis:				
Current	198,013	142,746	-	-
	<b>198,013</b>	<b>142,746</b>	-	-

\*Finished goods include pharmaceutical drugs, reagents, and consumables stocked for resale and service deliveries by the three (3) healthcare subsidiaries. Total sum of ₦0.182 million expired inventory items were written off during 2022 financial year (2021: ₦29.88 million).

There were no inventories pledged as security for liabilities (2021: NIL).

## 26 Investments in subsidiaries

	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
At the beginning of the year	9,000	895,797
Impairment on investment in KG Brussels [b]	-	(886,797)
<b>At the end of the year</b>	<b>9,000</b>	<b>9,000</b>
Investment types:		
Investment in equity shares	9,000	9,000
	<b>9,000</b>	<b>9,000</b>
Maturity analysis:		
Non-current	9,000	9,000
	<b>9,000</b>	<b>9,000</b>

- [a] Additionally, as required by IAS 36, an annual impairment assessment of the Authority's investment in KG Brussels was carried out as of 31 December 2021 and reassessed as of 31 December 2022. Based on this reassessment, an estimation of the future cash flows of KG Brussels was discounted to determine the value in use of the entity. It was concluded that the entire carrying amount of NSIA's investment in the entity was completely impaired when compared with the entity's recoverable amount.

## 26.1 Information on subsidiary entities controlled by the Authority

Name of entity	Place of business/ Country of incorporation	% of ownership interest 31 December 2022	% of ownership interest 31 December 2021	Carrying amount 31 December 2022 N'000	Carrying amount 31 December 2021 N'000
i. NSIA Motorways Investment Company (NMIC)	Nigeria	99.99%	99.99%	1,000	1,000
ii. KG Brussels LP (26 [a])	USA	100%	100%	-	-
iii. FGF Private Equity Co. Limited	Nigeria	99.99%	99.99%	1,000	1,000
iv. FGF Investments Limited	Nigeria	99.99%	99.99%	1,000	1,000
v. NSIA Agriculture Investment Company	Nigeria	99.99%	99.99%	1,000	1,000
vi. FGF PE Beta Limited	Nigeria	99.99%	99.99%	1,000	1,000
vii. NSIA Property Investment Company Limited	Nigeria	99.99%	99.99%	1,000	1,000
viii. NSIA Power Investment Company Limited	Nigeria	99.99%	99.99%	1,000	1,000
ix. NSIA Healthcare Development and Investment Company Limited	Nigeria	99.99%	99.99%	1,000	1,000
X. NSIA Investment Management Company	Nigeria	99.99%	99.99%	1,000	1,000
				<b>9,000</b>	<b>9,000</b>

- i) NSIA Motorways Investment Corporation is a wholly-owned subsidiary domiciled in Nigeria. The subsidiary was set up to invest in the development of roads, bridges, toll plaza, and related road transport infrastructure. The Company was incorporated in 2014.
- ii) KG Brussels LP became a wholly-owned subsidiary after the Authority acquired 0.03% shares, representing non-controlling interest, from Carmona Motley. KG Brussels LP was incorporated in 2014, and it holds a portfolio of investments in other private equity investee funds. During the year 2019, there was a reallocation of financial assets from KG Brussels to FGFs, which led to a reduction in the capital apportionment owned by NSIA. NSIA's investment in this entity was assessed for impairment as at 31 December 2021, reassessed in 2022 and was fully impaired. Refer to note 26 (a) for further details.
- iii) FGF Private Equity Co. Limited is a wholly-owned subsidiary, domiciled in Nigeria. The subsidiary was set-up to invest in private equities. The Company was incorporated in 2015.
- iv) FGF Investments Limited is a wholly-owned subsidiary, domiciled in Nigeria. The subsidiary was set-up to invest in private equities and other investments. The Company was incorporated in 2015.
- v) NAIC is a wholly-owned subsidiary of NSIA, domiciled in Nigeria. It was set-up to carry on the business of agricultural investment and management, investment in the agricultural land, and businesses of all kinds. The Company was incorporated in 2016.
- vi) FGF PE Beta Limited is a wholly-owned subsidiary, domiciled in Nigeria. The subsidiary was set-up to invest in private equities. The Company was incorporated in 2015.
- vii) NSIA Property Investment Company Limited is a wholly-owned subsidiary set up to invest in and to purchase, acquire, hold, develop, work, and turn to account any land (of any tenure), landed property, or real estate of any kind. The Company was incorporated in 2014.
- viii) NSIA Power Investment Company Limited is a wholly-owned subsidiary, domiciled in Nigeria. The subsidiary was set-up to invest in the development of infrastructure related to power including but not limited to gas turbines, transmission lines, and other generation, transmission, and distribution infrastructure and equipment. The Company was incorporated in 2014.
- ix) NSIA Healthcare Development and Investment Company Limited is a wholly-owned subsidiary, domiciled in Nigeria. The subsidiary was established to invest in any company, corporation, authority, or body involved in or any arrangement related to healthcare infrastructure or healthcare service delivery and/or management. The Company was incorporated in 2014.

The Authority also has indirect interests in the following subsidiaries:

	Place of business/ Country of incorporation	% of ownership interest 31 December 2022	% of ownership interest 31 December 2021
FMCU Advanced Medical Diagnostics Limited (x)	Nigeria	90%	90%
AKTH Advanced Medical Diagnostics Limited (xi)	Nigeria	90%	90%
LUTH Advanced Medical Services Limited (xii)	Nigeria	100%	100%
Equilease Systems Limited (xiii)	Nigeria	100%	0%

- x) FMCU Advanced Medical Diagnostics Limited is a limited liability company established to carry out business as providers of modern medical pathology laboratory, radiography, and ancillary healthcare services. The Company was incorporated in 2016.
- xi) AKTH Advanced Medical Diagnostics Limited is a limited liability company established to carry out business as providers of modern medical pathology laboratory, radiography, and ancillary healthcare services. The Company was incorporated in 2017.
- xii) LUTH Advanced Medical Services Limited (LAMSL) was established to carry on business as providers of modern medical pathology laboratory services, provide modern radiography services, provide healthcare services, establish other medical diagnostic centers as may be determined from time to time by the Board of Directors and to encourage the discovery of new medical and/or surgical management of diseases and afflictions. The Company was incorporated in 2016 as a joint venture between NHDIC and Lagos University Teaching Hospital (LUTH), each with 50% ownership interest. Following the transfer of the 50% ownership interest held by LUTH to NHDIC, LUTH Advanced Medical Services Limited became a fully owned subsidiary of NHDIC and consequently, an indirect subsidiary of the Authority in December 2020.
- xiii) Equilease Systems Limited is a wholly-owned subsidiary of NSIA Investment Management Company and is domiciled in Nigeria. The subsidiary was established to invest in any company, corporation, authority, or body involved in or any arrangement related to healthcare infrastructure or healthcare service delivery and/or management, particularly as it relates to equipment leasing arrangements. The Company was incorporated in 2022.

## 26.2 Discontinued operation 26.2(a) Description

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

On 3 November 2020, an approval was issued by the Office of the Chief of Staff of the Presidency to restructure the Presidential Fertiliser Initiative for which PFI-NPK was established. This has resulted in the transfer of the business operations of PFI-NPK to the Ministry of Finance Incorporated (MOFI). The new entity is no longer a subsidiary of NSIA, but it is now owned by MOFI, effective 30 September 2021.

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

**26.2(b) Financial performance and cash flow information**

The financial performance and cash flow information presented are for the 9 months ended 30 September 2021.

	2021 N'000
Revenue	140,138,168
Cost of sales	(129,866,291)
<b>Gross loss</b>	<b>10,271,877</b>
Net foreign exchange gain/(loss)	(2,235,812)
Interest expense	(2,008,021)
Impairment write back on financial assets	(717,393)
Administrative expense	(2,718,031)
<b>Operating profit/ (loss)</b>	<b>2,592,620</b>
Other income	
<b>Profits from discontinued operations</b>	<b>2,434,083</b>
Other comprehensive income from discontinued operations	5,026,703
<b>Total comprehensive loss from discontinued operations</b>	<b>5,026,703</b>
26.2(c) Cash flows attributable to discontinued operations	
Net cash (used in)/generated from operating activities	3,715,939
Net cash generated from investing activities	9,820,775
Net cash used in financing activities	(5,754,068)
<b>Net increase in cash generated by discontinued operations</b>	<b>7,782,646</b>

**26.2 (d) Assets and liabilities of PFI-NPK (formerly NAIC-NPK) as at the date of divestment**

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

	30 September 2021 N'000
<b>Assets:</b>	
Cash and cash equivalents	31,860,085
Trade receivables	59,863,561
Other receivables	19,779,154
Inventories	18,808,380
<b>Total assets</b>	<b>130,311,180</b>
<b>Liabilities:</b>	
Trade payables	1,504,647
Other payables	114,606,613
Borrowings	14,199,920
<b>Total liabilities</b>	<b>130,311,180</b>
<b>Net Assets</b>	<b>-</b>

**27 Investments accounted for using the equity method**

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

	Group 31 December 2022 N' 000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Associates and joint ventures	27,766,212	24,680,009	12,278,115	12,278,115
The amounts recognised in the statement of comprehensive income are as follows:				
Amount recognised in statement of profit or loss	3,223,076	4,038,065	-	-
Amount recognised in other comprehensive income	(17,961)	(210,446)	-	-
<b>Total income recognised</b>	<b>3,205,115</b>	<b>3,827,619</b>	<b>-</b>	<b>-</b>



The table below shows a detailed movement of this balance:

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
At the beginning of the year	24,680,009	19,371,488	12,278,115	10,614,990
Additions during the year	-	1,663,125	-	1,663,125
Share of profit of associate and joint venture	3,223,076	4,038,065	-	-
Share of fair value reserves of associate and joint venture	(17,961)	(210,447)	-	-
Dividend received	(118,912)	(182,222)	-	-
<b>At the end of the year</b>	<b>27,766,212</b>	<b>24,680,009</b>	<b>12,278,115</b>	<b>12,278,115</b>
Maturity analysis:				
<b>Non-current</b>	<b>27,766,212</b>	<b>24,680,009</b>	<b>12,278,115</b>	<b>12,278,115</b>

During 2022 financial year, Authority through one of its associates Family Homes Funds Limited (FHFL) received a dividend sum of ₦118.912 million while similar sum of ₦182.22 million was received in 2021 from Nigeria Mortgage Refinance Company (NMRC).

### Interests in associates and joint ventures

Set out below are the associates and joint ventures of the Group as at 31 December 2022. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Group Name of company Investment in associates	Place of business/ Country of incorporation	% of ownership interest 31 December 2022	% of ownership interest 31 December 2021	Carrying amount 31 December 2022 N'000	Carrying amount 31 December 2021 N'000
Nigeria Mortgage Refinance Company (NMRC)	27.01 Nigeria	20.91%	20.91%	4,856,019	4,375,481
Infrastructure Credit Guarantee Company Limited	27.9 Nigeria	31.79%	33.33%	13,938,177	12,000,622
Family Homes Funds Limited (FHFL)	27.2 Nigeria	49%	49%	1,664,152	1,190,637
Panda Agriculture Operations and Management Ltd	27.3 Mauritius	30%	30%	-	-
Pandagric Novum Ltd	27.4 Nigeria	30%	30%	-	-
				<b>20,458,348</b>	<b>17,566,740</b>

Name of company Investment in joint venture	Place of business/ Country of incorporation	% of ownership interest 31 December 2022	% of ownership interest 31 December 2021	Carrying amount 31 December 2022 N'000	Carrying amount 31 December 2021 N'000
UFF-NAIC Agriculture Investment Company (Mauritius) Limited	27.6 Mauritius	50%	50%	5,640,283	5,525,210
Multipurpose Industrial Platform Limited	27.10 Nigeria	50%	0%	1,667,581	1,588,059
Total investment in joint venture				7,307,864	7,113,269
<b>Total investments in joint ventures and associates</b>				<b>27,766,212</b>	<b>24,680,009</b>

Authority Name of company Investment in associates	Place of business/ Country of incorporation	% of ownership interest 31 December 2022	% of ownership interest 31 December 2021	Carrying amount 31 December 2022 N'000	Carrying amount 31 December 2021 N'000
Nigeria Mortgage Refinance Company (NMRC)	27.01 Nigeria	20.91%	20.91%	1,600,000	1,600,000
Infrastructure Credit Guarantee Company Limited	27.9 Nigeria	31.79%	33.33%	9,014,500	9,014,500
Family Homes Funds Limited (FHFL)	27.2 Nigeria	49%	49%	490	490
				<b>10,614,990</b>	<b>10,614,990</b>

Name of company	Place of business/ Country of incorporation	% of ownership interest 31 December 2022	% of ownership interest 31 December 2021	Carrying amount 31 December 2022 N'000	Carrying amount 31 December 2021 N'000
<b>Investment in joint venture</b>					
Multipurpose Industrial Platform Limited	27.10 Nigeria	50%	-	1,663,125	1,663,125
				1,663,125	1,663,125
<b>Total investment in joint ventures and associates</b>				<b>12,278,115</b>	<b>12,278,115</b>
The Authority has indirect investments in joint ventures in the following entities:					
UFF-NAIC Agriculture Investment Company (Mauritius) Limited	27.6 Mauritius	50%	50%	3,941,408	3,941,408
				<b>3,941,408</b>	<b>3,941,408</b>

## Investment in associates

### 27.1 Nigeria Mortgage Refinance Company (NMRC)

Nigeria Mortgage Refinance Company (NMRC) is a government business entity and there is no quoted market price available for its shares. There are no contingent liabilities relating to the Group's interest in the associate. Set out below are the summarised financial information for NMRC which is accounted for using the equity method.

### 27.2 Family Homes Funds Limited (FHFL)

Family Homes Funds Limited (FHFL) is an innovative private-sector-driven financing solution to Nigeria's housing challenges. It is an initiative of the Federal Ministry of Finance and established in September 2016. There are no contingent liabilities relating to the Group's interest in the associate. Set out below is the summarised financial information for FHFL which is accounted for using the equity method.

### 27.3 Panda Agriculture Operations and Management Ltd

A company limited by shares and incorporated in Mauritius on 2 February 2018 with company number 153361.

The company operates and manages all farms, assets, and land acquired by Panda Agricultural Properties Management Limited. This entity is owned by UFF-NAIC Agriculture Investment Company (Mauritius) Limited and Novum Holdings Ltd – a non-Group entity.

### 27.4 Pandagric Novum Ltd

A company limited by shares and incorporated in Nigeria on 16 November 2017. The company is currently owned by Panda Agricultural Operations & Management (Mauritius) Ltd and Panda Agricultural Properties Management Ltd - a Nigerian entity duly incorporated in Nigeria.

Pandagric Novum Limited has been established to sell, purchase, import, export, take/let/hire/lease, repair, alter, improve, deal in machinery, equipment, implements, tools, accessories, used for developing, growing, raising, processing, packaging of all kinds of agricultural products. It can also carry on the businesses of farming, production, harvesting, procurement, grading, pooling, marketing agriculture, and horticulture in all their forms. The company is able to enter into partnerships, joint ventures, concessions, and generally collaborate with other entities in the development of integrated farms and businesses.

The company currently operates and manages the farm assets acquired by Panda Agricultural Properties Management Limited.

## Investment in joint ventures

### 27.5 UFF-NAIC Agriculture Management Company (Mauritius) Limited

UFF-NAIC Agriculture Management Company (Mauritius) Limited was incorporated in Mauritius on 8 June 2017 with registration number 147877. The company is a special purpose vehicle (SPV) owned by UFF Management (Mauritius) Limited and NSIA Agriculture Investment Company Limited. It was established to provide asset management services and investment management and advisory services exclusively to the UFF-NAIC Agriculture Investment Company (Mauritius) Limited and/or to each of the shareholders and/or its affiliates and ancillary activities. During 2021 financial year, the shareholders of UFF-NAIC Agriculture Management Company (Mauritius) Limited decided to wind-up the company in accordance with the provisions of the Act and following the restructuring, the INVESCO shall no longer avail any advisory services from the same. This consequently has led to the submission of the company's operating licence to the Financial Services Commission (FSC) of Mauritius.

## 27.6 UFF-NAIC Agriculture Investment Company (Mauritius) Limited

UFF-NAIC Agriculture Investment Company (Mauritius) Limited was incorporated in Mauritius on 27 March 2017 with company number 146100. The company is a joint venture between NSIA and Old Mutual African Agricultural Fund. An initial commitment of US\$25 million from NSIA and Old Mutual African Agricultural Fund has been made with a target of a total commitment size of US\$200 million from other third parties. Although the funds to the joint venture are provided by Old Mutual African Agricultural Fund, UFF Management Limited act as representatives on behalf of Old Mutual. The fund is currently pursuing farmland and agribusiness investments as well as high technology driven agriculture in various parts of Nigeria.

## 27.7 Panda Agricultural Properties Management Ltd

Panda Agricultural Properties Management Ltd is a company limited by shares and incorporated in Mauritius on 6 February 2018 with company number 153425. The company has been established to acquire farms, agricultural land, and fixed assets and lease such farms and assets to Panda Operations and Management.

## 27.8 Panda Agricultural Properties Management Ltd

Panda Agricultural Properties Management Ltd is a company limited by shares and incorporated in Nigeria on 9 November 2017. The company is owned by Panda Agricultural Properties Management (Mauritius) Limited and UFF-NAIC Agriculture Investment Company (Mauritius) Limited. The company has been established to sell, purchase, import, export, take/let/hire/lease, repair, alter, improve, deal in machinery, equipment, implements, tools, accessories, used for developing, growing, raising, processing, packaging of all kinds of agricultural products. It can also carry on the businesses of farming, production, harvesting, procurement, grading, pooling, marketing agriculture and horticulture in all their forms. The company has acquired farm assets from Novum Agric Industries in pursuit of its objectives.

## 27.9 Infrastructure Credit Guarantee Company Limited (Infracredit)

Infracredit is a Company jointly owned with African Finance Corporation (AFC) and Infraco Africa Limited. The company provides local currency guarantees to enhance the credit quality of debt instruments issued to finance creditworthy infrastructure assets in Nigeria that conform with its eligibility criteria. The Company was incorporated in 2016. Infracredit was a fully-owned subsidiary of the Nigeria Sovereign Investment Authority until 19 December 2018. However, on 19 December 2018, the Authority lost control due to additional investment in Infracredit by AFC. This investment by AFC has now diluted the investment in Infracredit to an "investment in joint venture".

**27.9.1** The Group had a dilution of interest in its equity investment held in Infracredit during the 2021 year. This was as a result of new capital investment brought into Infracredit by Leadway Assurance Limited, in addition to the existing investment held by Infraco Africa Limited and AFC. The ownership interest retained by the Group as a result of the dilution is 31.79% while Infraco, AFC, and Leadway Assurance holds 31.79%, 30.24%, and 6.17%, respectively. The Group assessed that the investment in the entity is a joint venture and continues to account for it using the equity method.

**27.9.2** The Authority's share of Infracredit's financial position is as shown below:

	31 December 2022 N'000	31 December 2021 N'000
Balance at start of the year	12,000,622	10,876,796
Share of associate's profit before dilution of interest (33.33%)	-	636,590
Share of associate's profit after dilution of interest (31.79%)	1,937,555	487,236
<b>Carrying amount as at end of year</b>	<b>13,938,177</b>	<b>12,000,622</b>

## 27.10 Multipurpose Industrial Platform Limited

Multipurpose Industrial Platform Limited is a Company jointly owned with OCP Africa S.A. The Company was incorporated on 23 June 2021 to establish a basic chemicals platform in Nigeria. The ammonia and fertilisers plants is responsible for development and distribution of different types of fertiliser products, industrial chemicals, and related services (such as training and technical assistance) in order to serve the Nigerian market as well as the neighbouring countries within the West African and Central African regions and any market worldwide. NSIA's stake in this joint venture arrangement is currently 50%, and this is expected to subsist till the expiration of the project.

### Summarised financial information of associates

Set out below are the financial information of the associates of the Group as at 31 December 2022, which, in the opinion of the directors, are material to the Group.

	NMRC		FHFL	
	31 December 2022 N'000	31 December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
<b>Summarised statement of comprehensive income</b>				
Interest income	10,043,373	9,759,205	4,770,588	5,209,744
Interest expense	(4,590,188)	(4,734,632)	(2,011,103)	(595,833)
Other income	813	146,627	3,119,022	224,605
Impairment allowance (ECL)	(59,854)	11,864	(402,563)	(63,703)
Depreciation and amortisation	(84,779)	(83,709)	(154,286)	(89,425)
Personnel expenses	(861,833)	(798,750)	(827,985)	(699,671)
Operating expenses	(1,042,164)	(913,850)	(2,424,046)	(1,264,912)
<b>Profit before tax</b>	<b>3,405,368</b>	<b>3,386,755</b>	<b>2,069,627</b>	<b>2,720,805</b>
Income tax	(34,882)	(68,331)	(832,099)	(294,032)
<b>Profit/(loss) for the year</b>	<b>3,370,486</b>	<b>3,318,424</b>	<b>1,237,528</b>	<b>2,426,773</b>
Other comprehensive income	(94,663)	(1,006,436)	-	-
<b>Total comprehensive income</b>	<b>3,275,823</b>	<b>2,311,988</b>	<b>1,237,528</b>	<b>2,426,773</b>

	NMRC		FHFL	
	31 December 2022 N'000	31 December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
<b>Summarized statement of financial position</b>				
Cash and cash equivalents	1,397,090	3,494,622	30,595,711	1,854,368
Loans and advances	24,023,504	21,104,863	69,137,600	41,111,237
Investment securities	59,517,080	59,750,301	6,253,845	28,640,696
Property Inventories	-	-	19,796,384	17,733,186
Other assets	176,306	151,389	1,907,553	2,496,846
Investment properties	-	-	1,259,966	1,259,966
Property and equipment	475,890	492,412	233,641	229,144
Intangible assets	4,143	4,901	142,722	73,980
<b>Total assets</b>	<b>85,594,013</b>	<b>84,998,488</b>	<b>129,327,422</b>	<b>93,399,424</b>
Other liabilities	2,262,545	421,447	4,351,112	1,626,615
Tax liabilities	44,394	68,309	891,955	247,104
Borrowings	37,594,065	37,594,065	30,388,126	10,595,834
Debt securities issued	22,469,579	25,989,363	-	-
<b>Total liabilities</b>	<b>62,370,583</b>	<b>64,073,184</b>	<b>35,631,193</b>	<b>12,469,553</b>

	NMRC		FHFL	
	31 December 2022 N'000	31 December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
<b>Capital and reserves</b>				
Share capital	2,125,444	2,125,444	1,000	1,000
Share premium	5,925,233	5,925,233	-	-
Retained earnings	11,053,320	9,166,104	3,395,229	2,428,871
Statutory reserves	3,978,238	3,472,664	-	-
FGN grant	-	-	90,300,000	78,500,000
Fair value and Regulatory Risk reserves	141,195	235,859	-	-
<b>Total equity</b>	<b>23,223,430</b>	<b>20,925,304</b>	<b>93,696,229</b>	<b>80,929,871</b>
<b>Total liabilities and equity</b>	<b>85,594,013</b>	<b>84,998,488</b>	<b>129,327,422</b>	<b>93,399,424</b>
Maturity				
Current assets	5,958,197	3,981,904	42,674,327	42,674,327
Non-current assets	79,635,816	81,016,584	86,653,095	50,725,097
<b>Total assets</b>	<b>85,594,013</b>	<b>84,998,488</b>	<b>129,327,422</b>	<b>93,399,424</b>
Current liabilities	8,712,270	301,635	3,387,893	3,387,893
Non-current liabilities	53,658,313	63,771,549	32,243,300	9,081,660
<b>Total liabilities</b>	<b>62,370,583</b>	<b>64,073,184</b>	<b>35,631,193</b>	<b>12,469,553</b>

Reconciliation of the summarized financial information presented to the carrying amount of its interest in NMRC and FHFL

	NMRC		FHFL	
	31 December 2022 N'000	31 December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
Net assets of associate/joint venture	23,223,430	20,925,304	129,327,422	80,929,871
Group share of net assets	4,856,019	4,375,481	1,664,152	1,190,637
Carrying value of associate	4,856,019	4,375,481	1,664,152	1,190,637

### Summarised financial information of associates and joint ventures

Set out below are the financial information of the associate and a joint venture of the Group as at 31 December 2022, which, in the opinion of the directors, are material to the Group.

	Associate		Joint Venture	
	InfraCredit		Multipurpose Industrial Platform	
	31 December 2022 N'000	31 December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
Summarised statement of comprehensive income				
Interest and investment income	5,344,633	2,713,946	-	-
Net foreign exchange gain/loss	4,041,310	1,713,712	72,279	19,222
Guarantee fee income	1,949,831	1,250,857	-	-
Guarantee fee expense	(297,781)	(224,035)	-	-
Depreciation and amortisation	(107,920)	(108,988)	-	-
Impairment loss on financial assets	(259,134)	(173,002)	-	-
Finance Cost	(1,948,240)	-	-	(1)
Operating expenses	(2,444,084)	(1,705,033)	(74,951)	(169,353)
<b>Profit/ (Loss) before tax</b>	<b>6,278,615</b>	<b>3,467,457</b>	<b>(2,672)</b>	<b>(150,132)</b>
Income tax	64,134	(24,827)	-	-
<b>Profit/(loss) for the year</b>	<b>6,342,749</b>	<b>3,442,630</b>	<b>(2,672)</b>	<b>(150,132)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>6,342,749</b>	<b>3,442,630</b>	<b>(2,672)</b>	<b>(150,132)</b>

	Associate		Joint Venture	
	InfraCredit		Multipurpose Industrial Platform	
	31 December 2022 N'000	31 December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
<b>Summarised statement of financial position</b>				
Cash and cash equivalents	2,949,987	1,760,077	375,226	2,117,108
Investment securities	75,666,740	67,040,896	-	-
Other assets	7,328,622	5,169,595	1,055,667	1,059,010
Property and equipment	246,203	227,711	-	-
Right of use asset	151,450	173,347	-	-
Intangible assets	62,160	43,854	1,904,268	-
<b>Total assets</b>	<b>86,405,162</b>	<b>74,415,480</b>	<b>3,335,161</b>	<b>3,176,118</b>
Deposit for shares	-	426,819	-	-
Other liabilities	9,573,930	6,578,906	-	-
Debt capital	32,986,699	30,333,140	-	-
<b>Total liabilities</b>	<b>42,560,629</b>	<b>37,338,865</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves</b>				
Ordinary share capital	3,497,637	3,497,637	11,800	11,800
Share premium	113,945	113,945	3,311,630	3,314,450
Preference shares capital	29,938,211	28,304,407	-	-
Retained earnings	10,294,740	5,160,626	11,731	(150,132)
<b>Total equity</b>	<b>43,844,533</b>	<b>37,076,615</b>	<b>3,335,161</b>	<b>3,176,118</b>
<b>Total liabilities and equity</b>	<b>86,405,162</b>	<b>74,415,480</b>	<b>3,335,161</b>	<b>3,176,118</b>
<b>Maturity</b>				
Current assets	10,690,291	19,597,224	2,117,108	-
Non-current assets	75,714,871	54,818,256	1,218,053	3,176,118
<b>Total assets</b>	<b>86,405,162</b>	<b>74,415,480</b>	<b>3,335,161</b>	<b>3,176,118</b>
Current liabilities	3,148,469	3,359,162	-	-
Non-current liabilities	39,412,160	33,979,703	-	-
<b>Total liabilities</b>	<b>42,560,629</b>	<b>37,338,865</b>	<b>-</b>	<b>-</b>

Reconciliation of the summarised financial information presented to the carrying amount of its interest in InfraCredit

	InfraCredit		Multipurpose Industrial Platform	
	31 December 2022 N'000	31 December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
<b>Net assets of associate/joint venture</b>	<b>43,844,533</b>	<b>31,645,673</b>	<b>3,335,161</b>	<b>-</b>
Group share of net assets	13,938,177	10,547,503	1,667,581	-
Carrying value of associate	13,938,177	12,000,622	1,667,581	-



## Summarised financial information of other joint ventures

	UFF-NAIC Agriculture Investment Company (Mauritius) Limited	
	31 December 2022 M'000	31 December 2021 M'000
<b>Summarised statement of comprehensive income</b>		
Unrealised gain on financial assets	-	-
Interest income	13,895	643
Other income	-	-
Operating expenses	(30,048)	(20,849)
<b>Profit before tax</b>	<b>(16,153)</b>	<b>(20,206)</b>
Income tax	-	-
<b>Loss for the period</b>	<b>(16,153)</b>	<b>(20,206)</b>
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(16,153)</b>	<b>(20,206)</b>
<b>Profit/(loss) attributable to:</b>		
Parent	(16,153)	(20,206)
	<b>(16,153)</b>	<b>(20,206)</b>
<b>Total comprehensive income attributable to:</b>		
Parent	(16,153)	(20,206)
	<b>(16,153)</b>	<b>(20,206)</b>

	UFF-NAIC Agriculture Investment Company (Mauritius) Limited	
	31 December 2022 M'000	31 December 2021 M'000
<b>Summarised statement of financial position</b>		
Cash and cash equivalents	208,932	17,330
Loan receivables	8,032,352	167,181
Investments accounted for using the equity method	3,626,475	10,873,784
Investment Securities	252,427	-
Other assets	67,427	412
<b>Total assets</b>	<b>12,187,613</b>	<b>11,058,707</b>
Other liabilities	907,048	8,287
<b>Total liabilities</b>	<b>907,048</b>	<b>8,287</b>
<b>Capital and reserves</b>		
Share capital	11,213,974	10,324,956
Retained earnings	66,591	725,464
Currency translation reserves	-	-
<b>Total equity</b>	<b>11,280,565</b>	<b>11,050,420</b>
<b>Total liabilities and equity</b>	<b>12,187,613</b>	<b>11,058,707</b>

The summarised information presented above reflects the financial statements of the joint ventures after adjusting for differences in accounting policies between the Group and the joint venture.

	UFF-NAIC Agriculture Investment Company (Mauritius) Limited	
	31 December 2022 M'000	31 December 2021 M'000
<b>Net assets of associate/joint venture</b>	<b>11,280,565</b>	<b>11,050,420</b>
Group share of net assets	5,640,283	5,525,210
Carrying value of associate	5,640,283	5,525,210

## 28 Leases

### Group as a lessee

The Group has lease contracts for its leasehold lands and office building. The leases have lease terms of 20 years and 2 years respectively. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Cost	Group 31 December 2022 Land N'000	Group 31 December 2022 Building N'000	Group 31 December 2022 Total N'000	Group 31 December 2021 Land N'000	Group 31 December 2021 Building N'000	Group 31 December 2021 Total N'000
As at 1 January	218,900	192,680	411,580	218,900	66,495	285,395
Reclassification	(15,250)	15,250	-	-	-	-
Additions	-	14,357	14,357	-	126,185	126,185
<b>As at 31 December</b>	<b>203,650</b>	<b>222,287</b>	<b>425,937</b>	<b>218,900</b>	<b>192,680</b>	<b>411,580</b>
Accumulated depreciation						
As at 1 January	41,044	119,266	160,310	30,099	53,074	83,173
Depreciation expense	-	91,965	91,965	10,945	66,192	77,137
<b>As at 31 December</b>	<b>41,044</b>	<b>211,230</b>	<b>252,274</b>	<b>41,044</b>	<b>119,266</b>	<b>160,310</b>
<b>Carrying amount</b>	<b>162,606</b>	<b>11,056</b>	<b>173,662</b>	<b>177,856</b>	<b>73,414</b>	<b>251,270</b>

Cost	Authority 31 December 2022 Land N'000	Authority 31 December 2022 Building N'000	Authority 31 December 2022 Total N'000	Authority 31 December 2021 Land N'000	Authority 31 December 2021 Building N'000	Authority 31 December 2021 Total N'000
As at 1 January	-	192,680	192,680	-	66,495	66,495
Additions	-	14,357	14,357	-	126,185	126,185
<b>As at 31 December</b>	<b>-</b>	<b>207,037</b>	<b>207,037</b>	<b>-</b>	<b>192,680</b>	<b>192,680</b>
Accumulated depreciation						
As at 1 January	-	119,266	119,266	-	53,074	53,074
Depreciation expense	-	81,020	81,020	-	66,192	66,192
<b>As at 31 December</b>	<b>-</b>	<b>200,285</b>	<b>200,285</b>	<b>-</b>	<b>119,266</b>	<b>119,266</b>
<b>Carrying amount</b>	<b>-</b>	<b>6,751</b>	<b>6,751</b>	<b>-</b>	<b>73,414</b>	<b>73,414</b>

\*There was no element of impairment during the year.

Set out below are the carrying amounts of lease liabilities (included under other liabilities) and the movements during the period:

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
As at 1 January	71,243	-	71,243	-
Additions	14,357	126,185	14,357	126,185
Accretion of interest	-	3,058	-	3,058
Payments	(85,600)	(58,000)	(85,600)	(58,000)
	<b>-</b>	<b>71,243</b>	<b>-</b>	<b>71,243</b>

The lease liability as presented above was with respect to office building and there was no liability with respect to the leasehold lands as at 31 December 2022 (December- 2021: Nil).

The following are the amounts recognised in profit or loss:

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Depreciation expense of right-of-use assets	81,020	66,191	66,192	66,191
Interest expense on lease liabilities	-	3,058	-	3,058
<b>Total amount recognized in profit or loss</b>	<b>81,020</b>	<b>69,249</b>	<b>66,192</b>	<b>69,249</b>

The Group had total cash outflows for leases of ₦85.6 million (2020: ₦58 million)

## 29 Property and equipment

Group	Buildings N'000	Plant and machinery N'000	Furniture and fittings N'000	Motor vehicles N'000	Computer equipment N'000	Office equipment N'000	Assets under construction N'000	Total N'000
<b>Cost</b>								
<b>As at 1 January 2021</b>	1,570,071	2,930,734	370,885	697,241	236,282	811,328	50,749	6,667,290
Transfers	-	50,749	-	-	-	-	(50,749)	-
Additions	24,138	21,129	23,856	206,064	46,942	150,513	-	472,642
<b>As at 31 December 2021</b>	<b>1,594,209</b>	<b>3,002,612</b>	<b>394,741</b>	<b>903,305</b>	<b>283,224</b>	<b>961,841</b>	<b>-</b>	<b>7,139,932</b>
<b>As at 1 January 2022</b>	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
Disposals	-	(9,700)	(8,900)	(108,120)	-	-	-	(126,720)
<b>As at 31 December 2022</b>	<b>1,613,155</b>	<b>3,021,155</b>	<b>387,132</b>	<b>1,492,411</b>	<b>304,323</b>	<b>980,610</b>	<b>-</b>	<b>7,798,786</b>
<b>Accumulated depreciation</b>								
<b>As at 1 January 2021</b>	44,990	450,995	160,423	348,616	190,393	40,664	-	1,236,080
Charge for the year	41,816	319,634	71,170	151,390	29,397	129,397	-	742,803
<b>As at 31 December 2021</b>	<b>86,805</b>	<b>770,629</b>	<b>231,592</b>	<b>500,006</b>	<b>219,790</b>	<b>170,060</b>	<b>-</b>	<b>1,978,883</b>
<b>As at 1 January 2022</b>	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)
<b>As at 31 December 2022</b>	<b>128,448</b>	<b>1,105,052</b>	<b>280,770</b>	<b>630,623</b>	<b>254,370</b>	<b>280,124</b>	<b>-</b>	<b>2,679,387</b>
<b>Carrying</b>								
<b>As at 31 December 2022</b>	<b>1,484,707</b>	<b>1,916,103</b>	<b>106,362</b>	<b>861,788</b>	<b>49,953</b>	<b>700,486</b>	<b>-</b>	<b>5,119,399</b>
<b>As at 31 December 2021</b>	<b>1,507,404</b>	<b>2,231,983</b>	<b>163,149</b>	<b>403,299</b>	<b>63,434</b>	<b>791,781</b>	<b>-</b>	<b>5,161,049</b>

Cost	Furniture and fittings N'000	Motor vehicles N'000	Computer equipment N'000	Office equipment N'000	Total N'000
<b>As at 1 January 2021</b>	217,614	637,347	236,282	2,690	1,093,933
Additions	11,076	206,063	22,292	-	239,431
<b>As at 31 December 2021</b>	<b>228,690</b>	<b>843,410</b>	<b>258,574</b>	<b>2,690</b>	<b>1,333,364</b>
<b>As at 1 January 2022</b>	228,690	843,410	258,574	2,690	1,333,364
Additions	6,723	659,577	19,474	974	686,748
Disposals	-	(88,220)	-	-	(88,220)
<b>As at 31 December 2022</b>	<b>235,413</b>	<b>1,414,767</b>	<b>278,048</b>	<b>3,664</b>	<b>1,931,892</b>
<b>Accumulated depreciation</b>					
<b>As at 1 January 2021</b>	106,958	331,032	178,701	1,990	618,681
Charge for the year	30,035	139,714	31,224	229	201,202
<b>As at 31 December 2021</b>	<b>136,993</b>	<b>470,746</b>	<b>209,925</b>	<b>2,219</b>	<b>819,883</b>
<b>As at 1 January 2022</b>	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)
<b>As at 31 December 2022</b>	<b>167,769</b>	<b>584,265</b>	<b>238,958</b>	<b>2,407</b>	<b>993,399</b>
<b>Carrying amount</b>					
<b>As at 31 December 2022</b>	<b>67,644</b>	<b>830,502</b>	<b>39,090</b>	<b>1,257</b>	<b>938,493</b>
<b>As at 31 December 2021</b>	<b>91,697</b>	<b>372,664</b>	<b>48,649</b>	<b>471</b>	<b>513,481</b>

\*There was no capitalised borrowing cost.

\*There were no impairment costs during the year.

\*Authority had no capital commitments and no assets pledged as security for borrowings as at 31 December 2022 (31 December 2021: Nil).

### 30 Intangible assets

Software - 31 December 2022	Group N'000	Authority N'000
<b>Cost</b>		
Balance at 1 January 2022	376,647	176,872
Additions	39,735	-
<b>Balance at 31 December 2022</b>	<b>416,382</b>	<b>176,872</b>
<b>Accumulated amortisation</b>		
Balance at 1 January 2022	250,952	92,052
Charge for the year	70,327	34,828
Balance at 31 December 2022	321,279	126,880
<b>Carrying amount</b>		
<b>Balance at 31 December 2022</b>	<b>95,103</b>	<b>49,992</b>

Software - 31 December 2021	Group N'000	Authority N'000
<b>Cost</b>		
Balance at 1 January 2021	365,676	176,872
Additions	10,971	-
<b>Balance at 31 December 2021</b>	<b>376,647</b>	<b>176,872</b>
<b>Accumulated amortisation</b>		
Balance at 1 January 2021	152,132	55,589
Charge for the year	98,820	36,463
<b>Balance at 31 December 2021</b>	<b>250,952</b>	<b>92,052</b>
<b>Carrying amount</b>		
<b>Balance at 31 December 2021</b>	<b>125,695</b>	<b>84,820</b>

There were no impairment losses during the year (2021: nil).

### 31 Other liabilities

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Trade payables	268,401	1,092,940	128,785	1,058,971
Intercompany payables	-	-	5,369,784	313,565
Other payables (31.1)	13,976,264	286,511,515	13,244,814	285,615,958
Payables to the Federal Government of Nigeria in respect of the Second Niger Bridge (31.2)	65,190	19,001,075	-	-
Accrued expenses	1,279,073	1,029,984	990,226	949,907
Lease liability	-	71,243	-	71,243
<b>Non-financial liability:</b>	-	-	-	-
Tax liabilities (31.3)	430,622	395,672	-	-
	<b>16,019,550</b>	<b>308,102,429</b>	<b>19,733,609</b>	<b>288,009,644</b>
<b>Maturity analysis:</b>				
Current	16,019,550	308,102,430	19,733,609	288,009,644
Non-current	-	-	-	-
	<b>16,019,550</b>	<b>308,102,429</b>	<b>19,733,609</b>	<b>288,009,644</b>

#### 31.1 Other payables

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Payable to CBN	-	234,002,260	-	234,002,260
Payable to Presidential Infrastructure Development fund (PIDF) and PFI-NPK (31.1.2)	-	26,922,833	-	26,922,834
Proceeds from matured Investments payable to managed funds	744,412	16,546,785	744,412	16,546,785
Payable to Federal Government Stabilisation Fund and Gas to Power (31.1.3)	10,992,167	7,422,498	10,992,164	7,422,498
Payable to Associates	216,511	217,001	216,511	217,001
Payable to contractors	25,070	201,925	420	70,110
Salaries and wages payable (31.1.4)	210,651	229,574	210,275	229,574
Statutory obligations (31.1.1)	211,978	140,535	153,035	95,341
Deferred Income	149,476	116,673	-	-
Share Payable Account to InfraCo Nigeria Ltd.	100,000	100,000	100,000	100,000
Other payables	1,325,999	611,430	827,997	9,555
	<b>13,976,264</b>	<b>286,511,514</b>	<b>13,244,814</b>	<b>285,615,958</b>

- 31.1.1** Statutory obligations consist of payments for withholding tax liability, pension payable, and other obligations that are required by the law.
- 31.1.2** Payables of ₦26.9 billion represent ₦10.3 bn and ₦16.6 bn obligations of Authority to Presidential Infrastructure Devpt. Fund (PIDF) and PFI-NPK respectively as at 2021 which emanated in the course of Authority performing its fiduciary functions and these have been subsequently settled during 2022 financial year.
- 31.1.3** This line is represented by ₦5.02 billion payable to Federal Government Stabilisation Fund (FGN Stab) and additional account payable of ₦5.98 billion to Gas to Power (G2P) which are associated with related-party transactions.
- 31.1.4** This represents provision for unpaid staff bonuses and allowances earned for the period ended 31st December 2022 (December 2021: ₦229.6 million). The settlement of which would be dependent on staff performance appraisal in the subsequent year.
- 31.2** This represents the total amount received from the Federal Government of Nigeria in respect of the construction of the Second Niger Bridge of Nigeria project. The total cost incurred to date on the project and the unspent cash are included in the other assets as "cost incurred on behalf of the Federal Government" and "restricted balances" respectively. Remaining unspent balance is disclosed in Note 24 as "restricted balance".

### 31.3 Income tax payable

	Group 31 December 2022 ₦'000	Group 31 December 2021 ₦'000	Authority 31 December 2022 ₦'000	Authority 31 December 2021 ₦'000
Opening balance	395,672	352,231	-	-
Tax expense during the period	834	1,743	-	-
Paid during the year	-	(1,743)	-	-
Exchange difference	34,116	43,441	-	-
	<b>430,622</b>	<b>395,672</b>	<b>-</b>	<b>-</b>

### 31.4 Movement in liabilities arising from financing activities

	Group 31 December 2022 ₦'000	Group 31 December 2021 ₦'000	Authority 31 December 2022 ₦'000	Authority 31 December 2021 ₦'000
Opening	71,243	20,031,183	71,243	-
Lease addition	14,357	126,185	14,357	126,185
Accretion of interest	-	3,058	-	3,058
Lease payment- Principal	(85,600)	(54,942)	(85,600)	(54,942)
Lease payment- Interest	-	(3,058)	-	(3,058)
De-recognition/disposal of liabilities of a subsidiary held for sale	-	(20,031,183)	-	-
<b>Closing liabilities from financing activities</b>	<b>-</b>	<b>71,243</b>	<b>(0.00)</b>	<b>71,243</b>

The movement above represents the liabilities arising from financing activities (lease liabilities and borrowings (if any)) whose cash flows were, or future cash flows are, classified in the statement of cash flows as cash flows from financing activities.

## 32 Equity and reserves

	Group 31 December 2022 ₦'000	Group 31 December 2021 ₦'000	Authority 31 December 2022 ₦'000	Authority 31 December 2021 ₦'000
Contribution by Government	347,375,000	347,375,000	347,375,000	347,375,000
Share Premium	1,994,698	1,994,698	-	-
Retained earnings	668,493,603	567,617,909	652,209,792	556,236,854
Fair value reserve	5,944,329	5,889,638	5,986,113	5,709,341
Foreign currency translation reserve	(6,969,557)	(1,030,107)	-	-
Non-controlling interest	(149,140)	(125,790)	-	-
	<b>1,016,688,933</b>	<b>921,721,348</b>	<b>1,005,570,905</b>	<b>909,321,195</b>



### 32.1 Retained earnings

Retained earnings represent undistributed profits, attributable to the capital providers i.e., Federal, state, and local governments. The movement in retained earnings during the year is as shown below:

	Group 31 December 2022 ₦'000	Group 31 December 2021 ₦'000	Authority 31 December 2022 ₦'000	Authority 31 December 2021 ₦'000
Opening balance	567,617,909	414,000,617	556,236,854	413,624,794
Reclassification from retained earnings to share premium	(1,994,698)	(1,994,698)	-	-
Derecognition of fair value changes on equity investments (FVOCI)	496,071	-	-	-
Profit for the year	102,374,321	153,617,292	95,972,938	142,612,060
	<b>668,493,603</b>	<b>565,623,211</b>	<b>652,209,792</b>	<b>556,236,854</b>

### 32.2 Fair value reserve

Fair value comprises fair value movements on equity and debt instruments that are carried at fair value through other comprehensive income.

	Group 31 December 2022 ₦'000	Group 31 December 2021 ₦'000	Authority 31 December 2022 ₦'000	Authority 31 December 2021 ₦'000
Opening balance	5,889,638	5,010,841	5,709,341	5,368,333
Change in value of financial assets measured at FVOCI	72,652	1,089,243	276,772	341,008
Share of change in value of financial assets measured at FVOCI - (Associates)	(17,961)	(210,446)	-	-
	<b>5,944,329</b>	<b>5,889,638</b>	<b>5,986,113</b>	<b>5,709,341</b>

### 32.3 Foreign currency translation reserve

The currency translation reserve includes the net cumulative change in the foreign exchange gains or (losses) arising from translation of the financial statements of subsidiaries with US Dollars as their 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 31 December 2022 ₦'000	Group 31 December 2021 ₦'000
Opening balance	(1,030,107)	6,429,941
Exchange differences arising during the year	(5,939,450)	(7,460,048)
	<b>(6,969,557)</b>	<b>(1,030,107)</b>

### 32.4 Non-controlling interest (NCI)

This is the component of Group's equity as reported on the consolidated statement of financial position which represents the ownership interest of equity holders other than the parent of the subsidiary. See below the changes in non-controlling interest during the year.

	Group 31 December 2022 ₦'000	Group 31 December 2021 ₦'000
Opening balance	(125,790)	(68,885)
(Loss)/profit attributable to NCI	(23,350)	(56,905)
	<b>(149,140)</b>	<b>(125,790)</b>

## 33 Capital management

The Group is to maintain a strong capital base in order to retain the confidence of the Nigerian people and the market with a bid to sustain future developments for the business. Management monitors the return on capital by reviewing monthly performance returns from investment managers. The Group manages its capital structure and makes necessary regulatory adjustments to it according to changes in economic conditions and the risk of its activities. In order to maintain or adjust its capital structure, the Group may through its Board restrict capital return to shareholders or drawdowns from its stabilisation funds. Capital management is overseen by the Board of Directors who have overall responsibility for ensuring adequate capital is maintained for the Group. The Group has a process of ensuring adequate capital is maintained and this process includes effective capital planning, prudent portfolio management, stress testing, and contingency planning.

The Group monitors capital using a ratio of adjusted net debt to adjusted equity. For this purpose, adjusted net debt is defined as total liabilities, comprising payables to counterparties and other obligations, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio at 31 December 2022 was as follows:

	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000
Cash and cash equivalents	60,185,675	269,602,956	59,273,853	268,782,415
Less: Total liabilities	(16,019,550)	(308,102,429)	(19,733,609)	(288,009,644)
<b>Net surplus</b>	<b>44,166,125</b>	<b>(38,499,473)</b>	<b>39,540,244</b>	<b>(19,227,229)</b>
Total equity	1,016,688,933	919,726,651	1,005,570,905	909,321,195
Adjusted equity	1,016,688,933	919,726,651	1,005,570,905	909,321,195
<b>Net surplus to adjusted equity ratio</b>	<b>4%</b>	<b>-4%</b>	<b>4%</b>	<b>-2%</b>

### 34 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, and Mambilla Hydropower Development Company 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.

The following are the balances with the Federal Government of Nigeria during the year:

	Group 31 December 2022 N'000	Group 31 December 2021 N'000
Payables to the Federal Government of Nigeria in respect of the Second Niger Bridge	65,190	19,001,075
<b>Cost incurred on behalf of the Federal Government of Nigeria in respect of Second Niger Bridge.</b>	<b>-</b>	<b>16,118,660</b>

### Compensation of key management personnel

The Authority's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The key management includes those persons having authority and responsibility for planning, directing, and controlling the activities of NSIA, directly or indirectly, including any director (whether executive or otherwise) of the Authority, including the close members of family of key personnel and any entity over which key management exercises control. The members of the board of the Authority did not hold any shares in the Authority during or as at the end of the year. The compensation paid or payable to key management for employee services is shown below:

	Group 31 December 2022 N'000	Group 31 December 2021 N'000
<b>Directors' remuneration and expenses:</b>		
Executive compensation	1,033,961	1,237,420
Non-executive directors fees and other benefits	141,173	64,177
Defined contribution plan	51,164	53,593
	<b>1,226,298</b>	<b>1,355,190</b>

### Balances with subsidiaries and other related entities

The Authority has the following receivables from the underlisted subsidiaries/other related entities as at the reporting date:

	Type of interests	31 December 2022 N'000	31 December 2021 N'000
NSIA Motorways Investments Company	Subsidiary	-	612,754
NSIA Property Investment Co. Limited	Subsidiary	7,613,081	6,066,829
NSIA Power Investment Co. Limited	Subsidiary	6,523	5,100
NSIA Healthcare Development and Investment Co. Limited	Subsidiary	163,755	86,205
FGF Private Equity Co. Limited	Subsidiary	21,606,997	17,228,073
FGF P. E. Beta Limited	Subsidiary	5,490,301	5,456,274
FGF Investment Limited	Subsidiary	25,516,475	10,169,576
NSIA Agriculture Investment Company	Subsidiary	6,104,744	5,742,327
NSIA Advanced Medical Services Limited	Sub-subsidiary	38,631	-
Second Niger Bridge Development Company Ltd	Associate	-	84
Panda Agricultural Properties	Sub-subsidiary	612,664	-
FMCU Advanced Medical Diagnostics Limited	Sub-subsidiary	2,179,004	2,185,302
AKTH Advanced Medical Diagnostics Limited	Sub-subsidiary	2,137,891	2,161,147
LUTH Advanced Medical Services Limited	Sub-subsidiary	5,173,799	4,466,537
PFI-NPK Limited	Trustee	619,745	50,168,537
Kano Solar Project	Trustee	192,624	-
CBN NESI Stabilisation Fund	Trustee	2,843,559	-
Presidential Infrastructure Development Fund	Trustee	2,343,798	9,973,222
Federal Government of Nigeria		-	16,118,660
		<b>82,643,591</b>	<b>130,440,627</b>

The Authority has the following payables to the underlisted subsidiaries/other related entities as at the reporting date:

	Type of interests	31 December 2022 N'000	31 December 2021 N'000
NSIA Motorways Investments Company	Subsidiary	1,000	39,013
NSIA Property Investment Co. Limited Subsidiary	Subsidiary	42,050	42,050
NSIA Healthcare Development and Investment Co. Limited	Subsidiary	33,531	30,854
FGF Private Equity Co. Limited	Subsidiary	1,000	1,000
FGF P. E. Beta Limited	Subsidiary	1,000	1,000
FGF Investment Limited	Subsidiary	1,000	1,000
NSIA Agriculture Investment Company	Subsidiary	5,283,612	192,181
NSIA Power Investment Co. Limited	Subsidiary	1,000	1,000
AKTH Advanced Medical Diagnostics Limited	Subsidiary	1,789	1,789
Debt Management Office-Gas to Power	Trustee	5,976,622	-
FGN Stabilisation Fund	Trustee	5,015,544	-
PFI-NPK Limited	Trustee	-	16,426,725
Presidential Infrastructure Development Fund	Trustee	-	10,496,108
		<b>16,358,148</b>	<b>27,232,720</b>

The above related party balances are not secured, performing, and not guaranteed with any sum as at 31 December 2022 and shall all be settled in cash.

The above disclosed related-party receivables and payables represent balances in which settlement of the liabilities were undertaken by the Authority on behalf of its related parties and similarly settled on its behalf by the same, respectively; all transacted at arms' lengths.

Related party transactions	Nature of transaction	Nature of relationship	31 December 2022 Amount (₦)	31 December 2021 Amount (₦)
NMIC	Subsidiary	Audit fees	1,479,400	1,138,000
KG Brussels L.P.	Subsidiary	Audit fees	739,700	569,000
FGF Investments Ltd	Subsidiary	Audit fees	1,849,900	1,423,000
FGF Private Equity Co. Ltd	Subsidiary	Audit fees	2,960,100	2,277,000
FGF Beta	Subsidiary	Audit fees	2,960,100	2,277,000
NSIA Healthcare Dev. & Invest Co.	Subsidiary	Audit fees	1,300,000	1,000,000
NSIA Property Inv.	Subsidiary	Audit fees	2,960,100	2,277,000
NSIA Power Inv.	Subsidiary	Audit fees	1,849,900	1,423,000
NSIA Agric Inv. Co	Subsidiary	Audit fees	2,072,200	1,594,000
NSIA Investment Mgt. Company Ltd.	Subsidiary	Audit fees	1,000,000	-
Abuja-Kano Expressway Dev. Company Ltd.	Sub-subsidiary	Audit fees	1,000,000	-
East-West Expressway Dev. Company Ltd.	Sub-subsidiary	Audit fees	1,000,000	-
Lagos-Ibadan Expressway Dev. Company Ltd.	Sub-subsidiary	Audit fees	1,000,000	-
Mambilla Hydropower Expressway Dev. Company Ltd.	Sub-subsidiary	Audit fees	1,000,000	-

The audit expenses were incurred by the Authority on behalf of the subsidiaries, sub-subsidiaries, and a joint venture, and they are to be back-charged to them.

During the year ended, there were no related party transaction relating to the following:

- Provisions for doubtful debts related to the amount of outstanding balances.
- Expense recognised during the year in respect of bad or doubtful debts due from related parties.

### 35 Other contracts

The investment activities of the three separate funds established by the Authority were managed by various investment managers engaged during the year.

#### 35.1 Stabilisation fund

The Authority engaged the following investment manager through its global custodian JP Morgan for the management of the Stabilisation Fund. The details of the investment manager as of year-end are:

##### **UBS Global Asset Management (UK) LTD**

###### *Engagement and Service*

The Authority engaged UBS Global Asset Management Ltd as its agent and delegate to manage the investment and reinvestment of certain monies and assets, deposited from time to time by the Authority and held by JP Morgan. UBS Global Asset Management Company provides the Authority with reports containing the transactions, valuations, and portfolio performance of the account on a monthly, quarterly, and annual basis.

##### **Smith Graham & Co**

###### *Engagement and Service*

Smith Graham provides investment management services on behalf of NSIA within the parameters of the investment guidelines that include a discretionary authority to make investments in the portfolio; investing in U.S. Treasury, agencies, commercial papers, and money market funds; effective duration of the portfolio should not exceed 120 days; insight into fixed income financial market conditions. Periodic reports communicated to the Authority include information on holdings, transactions, executive summary, and economic outlook.

##### **Income Research + Management (IR+M)**

IR+M is a privately-owned, independent, fixed income investment management firm that provides investment management services to the Authority. Their investment philosophy and process are based on our belief that careful security selection and active risk management provide superior results over the long-term. They provide investment management services for investments in US fixed income securities in investment opportunities across the corporate, securitised, government, and municipal sectors.

##### **Ninety One Global Strategy**

Ninety-One is a global investment manager established in South Africa in 1991. They offer active investment strategies across equities, fixed income, multi-asset, and alternatives to the Authority and other individual investors around the world. They are an independent firm, dual-listed in Johannesburg and London. Their range of active investment strategies spans global, regional, emerging, and frontier markets.

### 35.2 Future Generations Fund

#### ***Hedge funds***

The hedge fund managers in which the Future Generations Fund is invested as at year end are stated below:

1. Canyon Value Realisation Fund Ltd
2. Naya Fund
3. Sachem Head Capital Management
4. Morgan Stanley
5. John Street Systematic Limited
6. Goldman Sachs

#### ***Long Only Equity Managers***

The long only equity managers in which the Future Generations Fund is invested as at year end are stated below:

1. Cevian Capital II
2. Marathon Asset Management
3. Fundsmith LLP
4. Artisan Partners
5. EFG International
6. Goldman Sachs
7. Bluebox Asset Management 8.Edgbaston
9. Prince Street Capital
10. RWC Asset Advisors US LLC.

#### ***Private equity partners***

The private equity fund in which the Future Generations Fund is invested as at year end are stated below:

1. Z Capital Fund II & III
2. Healthcare Royalty Partners Fund III & IV
3. Xenon Private Equity VI
4. Helios Investors IV
5. Gsquared IV & V
6. Actis Real Estate Fund III
7. Growth Healthcare Fund L.P
8. Ingressive Capital LP
9. Reverence Capital Fund II
10. StepStone VC Secondaries Fund IV & VI
12. Xenon PE VII
13. Whitehorse Liquidity Partners (Offshore) II LP
14. Petershill Private Equity Seeding Offshore SCsp
15. Alitheia IDF Fund LP
16. Falko Regional Aircraft Opportunities Fund I & II
17. Alpha Partners Fund III LP
18. Lombard Odier Secondaries III
19. Lombard Odier European VC III
20. LifeSci Venture Partners II
21. Synergy Private Equity I & II 22. Africa Capital Alliance Fund
23. Verod Growth Fund II & III
24. Euro Choice Secondary II
25. CardinalStone Capital
26. CardinalStone Legacy Fund
27. Z Capital Fund I and II
28. The Rise Fund II
29. Gateway Fund II
30. Tidal Ventures ILP
31. Uhuru Growth Fund I
32. Vektor Partners Fund I
33. Blume Ventures Trust IV
34. Lennertz & Co. Blockchain Fund II.

### 35.3 Nigeria Infrastructure Fund

#### ***Private equity partners***

The private equity fund and investments in which the Nigeria Infrastructure Fund invested as at year end is stated below:

1. Fund for Agricultural Finance in Nigeria (FAFIN)
2. Nigeria Infrastructure Debt Fund

### 35.4 Custodians

#### Engagement and Service

The Authority engaged JP Morgan Chase & Co (global custodian), Stanbic IBTC Bank Limited (local custodian) and Citibank Nigeria Limited (local custodian) to provide custody services, as well as accounting, performance, and compliance services to capital managed by the Authority. The custodians provide reports to the Authority on the performance of the capital custodied by it on a monthly basis.

#### Reports on Investments

The investment management fees paid to the investment fund managers, global, and local custodians have been disclosed on the income statement.

## 36 Commitments

### (a) Capital commitments

The Authority's unfunded commitments with private equity fund managers are as follows:

	Naira equivalent			
	Authority 31 December 2022 \$ '000	Authority 31 December 2021 \$ '000	Authority 31 December 2022 ₦'000	Authority 31 December 2021 ₦'000
<b>Capital commitments - US\$:</b>				
Gateway Fund II	3,130	3,130	1,404,057	1,292,747
Tidal Ventures I LP	4,087	4,087	1,833,127	1,687,801
StepStone VC opportunities Fund VI	1,976	1,976	886,335	816,068
StepStone VC Secondaries Fund IV	1,128	1,128	505,964	465,853
Abraaj Growth Markets Health Fund L.P	2,332	2,332	1,045,878	962,963
Actis Africa Real Estate	3,333	3,333	1,495,119	1,376,589
Capital Alliance Private Equity Fund "CAPE IV"	4,062	4,062	1,822,010	1,677,565
Evercare Health Fund Feeder	378	378	169,725	156,269
Fund for Agricultural Finance in Nigeria (FAFIN)	4,501	4,501	2,019,103	1,859,034
HealthCare Royalty Partners (HCRP)	9,655	9,655	4,330,833	3,987,495
Helios Investors	3,147	3,986	1,411,507	1,646,010
Z Capital Partners	12,125	12,125	5,438,487	5,007,336
RMB WestPort Real Estate Development Fund II LP	6	6	2,593	2,387
<b>Total</b>	<b>49,860</b>	<b>50,699</b>	<b>22,364,738</b>	<b>20,938,117</b>

Capital commitments - Euro:

	Authority 31 December 2022 Euro '000	Authority 31 December 2021 Euro '000	Authority 31 December 2022 ₦'000	Authority 31 December 2021 ₦'000
Xenon Private Equity	4,495	4,495	2,152,739	2,101,441
<b>Total</b>	<b>4,495</b>	<b>4,495</b>	<b>2,152,739</b>	<b>2,101,441</b>
<b>Total Authority's capital commitments</b>			<b>24,517,477</b>	<b>23,039,558</b>



Other Group members unfunded commitments with private equity fund managers are as follows:

	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 N'000	31 December 2021 N'000
Lifesci Venture Partners II, LP	4,314	4,314	1,935,121	1,781,639
The Rise Fund II	3,676	2,718	1,648,714	1,122,507
Ingressive Capital L.P	175	175	78,496	72,273
Synergy Private Equity Fund LP	175	175	78,459	72,273
Synergy Private Equity Fund II LP	5,453	5,453	2,445,882	2,252,034
Verod Capital III	4,778	4,778	2,143,129	1,973,266
Falko Regional Aircraft Opportunities Fund	392	392	175,956	161,892
Falko Regional Aircraft Opportunities Fund II	12,001	12,001	5,382,906	4,956,293
Reverence Capital Partners Opportunities Fund II, L.P	8,812	8,812	3,952,788	3,639,268
Fortress Investment Fund IV, L.P.	133	133	59,582	54,928
Fortress Investment Fund V, L.P.	38	38	16,838	15,694
Fortress Investment Fund V Co-investment, L.P.	46	46	20,478	18,998
LO Secondary III	7,282	7,282	3,266,450	3,007,393
Petershill Private Equity Seeding	878	878	393,603	362,605
Offshore Advisor				
Alitheia IDF Fund LP	4,702	4,702	2,109,187	1,941,879
Whitehorse liquidity fund II	2,949	2,949	1,322,588	1,217,908
H.I.G. Bayside Opportunity Fund, L.P.	17	17	7,542	7,021
Marlin Equity, L.P.	262	262	117,538	108,203
Marlin Equity II, L.P.	593	593	265,967	244,903
OCM Opportunities Fund VIIb, L.P.	313	313	140,172	129,266
G Squared IV, SCSp	278	278	124,561	114,811
G Squared V	7,600	7,000	3,408,980	2,890,930
CardinalStone Capital Advisers Legacy Fund L.P	1,500	1,500	672,825	619,485
CardinalStone Capital Advisers Growth Fund L.P	4,916	4,916	2,204,961	2,030,259
<b>Total</b>	<b>71,280</b>	<b>69,725</b>	<b>31,972,723</b>	<b>28,795,728</b>

Euro:

	Group 31 December 2022 Euro '000	Group 31 December 2021 Euro '000	Group 31 December 2022 N'000	Group 31 December 2021 N'000
Euro Choice Secondary II, L.P.	8,158	8,158	3,907,038	3,813,903
LO European	2,106	2,106	1,008,799	984,565
<b>Total</b>	<b>10,264</b>	<b>10,264</b>	<b>4,915,837</b>	<b>4,798,468</b>
<b>Total unfunded commitment to private equity fund</b>			<b>61,406,037</b>	<b>56,633,754</b>

As disclosed above, the Group has committed to provide capital to various collective investment vehicles. The total of these commitments at the statement of financial position date is US\$121.14million/~~N~~55.34billion and Euro 14.7 million/~~N~~7.07billion (2021: US\$105.2million/~~N~~32.4billion and Euro 14.6 million/~~N~~1.05billion). The Group's commitment obligations, being capital calls, are set out in the various underlying subscription documents. Whilst the actual timing of the capital calls to be made by the managers of these vehicles is uncertain, as it is dependent on the managers sourcing suitable investment opportunities, the Group has recorded the commitments as being current in accordance with the underlying legal documents. The Group has appropriate liquidity planning in place to ensure a suitable allocation of resources will be available to cover these future commitments of capital.

### 37 Other fiduciary activities

The Authority performs the following fiduciary activities:

- The Authority holds shares in Development Bank of Nigeria (DBN) in trust for the Federal Government of Nigeria (FGN). The shares are valued at ~~N~~8 billion, which represents 20% of the shareholding of the DBN. The Ministry of Finance has mandated the Authority to guide DBN towards the achievement of its organisational goals. The Authority is expected to remit all dividends received from DBN within 30 days and obtain prior consent from the FGN before the disposal, transfer, or otherwise change of ownership of the shares. There were no dividends paid by DBN in the current year (2021: nil).

- b) The Authority provides investment management and custody services to the Debt Management Office (DMO) which involves the Authority making allocation, purchase, and sale decisions in relation to a wide range of financial instruments and investments. Those assets and income that are held in a fiduciary capacity are not included in these financial statements as they are not assets of the Authority. The fees and commissions which relate mainly to these investment management transactions and other fiduciary activity fees are recognised under other income in profit or loss as the related services being provided are performed.

The sums of US\$200 million ("the Fund") were received from the Debt Management Office ("DMO") under an Investment Management Agreement ("the Agreement"). NSIA acts as a manager of the Funds. The agreement provides for the Authority to invest the Fund in gas, power, and other related projects. Consideration is payable to the Authority after certain milestones have been met and the customers' share of return has been paid. A total of US\$100 million was withdrawn from the DMO fund in order to fund the Second Niger Bridge Project and Lagos/Ibadan Expressway Project on the authority of the Federal Government.

The fair value of the Managed Funds as at 31 December 2022 stood at US\$160.33 million for DMO (2021: US\$152.32 million for DMO) while nil income was accrued by the Authority from the fiduciary agreement activities as of 31 December 2022.

- c) The CBN NESI Stabilisation Fund was established following an investment management agreement between NESI Stabilisation Strategy Ltd and NSIA in May 2020, wherein it was stated that NSIA be appointed as the fund manager of the sum of ₦200 billion to be provided by NESI and invested in return-generating projects and instruments for the purpose of growing the Nigerian economy. The Fund commenced operations in July 2020.

The fair value of the Managed Funds as at 31 December 2022 stood at ₦108.2 billion for CBN NESI (2021: ₦103.03 billion for CBN NESI). Total sum of ₦615.75 million was charged as fiduciary income for December 2022 by the Authority from the fiduciary agreement while ₦365.75 million was earned for the period ended 31 December 2021.

- d) The Authority started its fiduciary function on FGN Stabilisation Fund on 6 May 2015, with an initial funding of ₦409.4 million. A total sum of ₦43.12 billion has been received from the Federal Government Stabilisation Account via the Office of the Accountant General of the Federation ("OAGF") till date. NSIA is to act as a manager to the fund with a mandate to invest the funds in line with the investment policies of the Stabilisation Fund of the Authority. The fair value of the Fund as at 31 December 2022 was ₦40.753 billion (2021: ₦43.356 billion). The assets and liabilities of the Funds have been excluded from these financial statements as they are not assets and liabilities of the Authority.

- e) In 2018, the President of the Federal Republic of Nigeria, President Muhammadu Buhari, approved the establishment of a Presidential Infrastructure Development Fund (PIDF), which is to be managed by the Nigeria Sovereign Investment Authority (NSIA), and invested specifically in critical road and power projects across the country. The National Economic Council (NEC) authorised the initial transfer of US\$650 million to NSIA from the Nigeria Liquefied Natural Gas (NLNG) Dividend Account, as seed funding for PIDF on 17 May 2018. A subsequent funding of ₦90 billion was received from the Office of the Accountant General of the Federation ("OAGF") on 30 September 2019. This is followed by subsequent inflow of US\$169.5 million received into the Fund in April 2021. A special but purposeful Fund under Presidential Infrastructure Development Fund (PIDF) termed "PIDF Recovered Assets" was additionally inaugurated in 2020 which recorded its first funding in May 2020 to the tune of US\$311.8 million.

This initiative aims to eliminate the risks of project funding, cost variation, and completion that have plagued the development of the nation's critical infrastructure assets — such as the 2nd Niger Bridge, Lagos-Ibadan Expressway, East-West Road, Abuja to Kano Road, Mambilla Hydroelectric Power — over the last few decades. This fund is currently being managed by the Authority. The income earned from management of the funds during the year is ₦1.23 billion (2021: ₦814.1 million).

### Terms of agreement

The Authority acting as a manager of PIDF:

- i) has complete discretion to deploy prudent fund/cash management strategies in relation to the fund;
  - ii) may not, without prior written consent of the FGN, borrow on FGN's behalf in relation to the PIDF projects;
  - iii) will receive the sum of 0.25% of the fund annually as management fee and deduct fund management expenses from the fund;
  - iv) will retain tax exempt status and as such, no taxes may be applied to any fees due and payable to NSIA;
  - v) shall not, except in case of fraud or gross negligence, be held liable for failure of PIDF to meet its objectives;
  - vi) will be indemnified by FGN in respect of all losses, liabilities, damages and claims, and costs; and
  - vii) will provide promptly to the FGN detailed information and reports in relation to the PIDF projects.
- f) The executed Investment Management Agreement (IMA) dated 27 May 2019 between the Authority and the

Government of the Federal Republic of Nigeria gives NSIA the right of option to call for the conversion of the Fund Management Account as additional capital contribution to the Authority by the Federal Government of Nigeria (FGN). However, this is optional, and this is subject to the delivery of the written notice to the Federal Government of Nigeria by the Authority. This clause has no financial implication for the Authority and does not affect its assets nor liabilities as at 31 December 2022.

### **38 Events after the reporting period**

NSIA Advanced Medical Services Limited (MedServe) was established to anchor NSIA Healthcare Development and Investment Company Limited (NHDIC)'s (NSIA's subsidiary) Healthcare Expansion Programme whose goal is to establish in phases a portfolio of 23 diagnostic centres, 7 catheterisation labs and 3 oncology centres across Nigeria's six (6) geopolitical zones and the FCT. The Company was set to be incorporated in January 2023 as a wholly-owned subsidiary of NHDIC to carry on business as providers of modern medical pathology laboratory services, provide modern radiography services, provide healthcare services, establish other medical diagnostic centres as may be determined from time to time by the board of directors.

Total Capital commitment of US\$100 million was approved by the board of directors for this healthcare expansion programme and they are mapped out in three (3) phases. The phase 1 of the project has commenced and it is projected to end by March 2024. The Diagnostic centres, Cath labs and Oncology centres are planned along the three phases to be dispersed across the country in a manner that, amongst other considerations, facilitates equitable geographic access by all Nigerians.

## Other national disclosures

### Value added statements

	Group		Group		Authority		Authority	
	31 December 2022 N'000	%	31 December 2021 N'000	%	31 December 2022 N'000	%	31 December 2021 N'000	%
Revenue	104,289,393		153,630,964		97,068,079		144,917,794	
Administrative expenses (Local and foreign)	(12,241,580)		(8,414,374)		(8,143,863)		(6,565,651)	
Other non-operating income (Local and foreign)	10,303,158		8,343,797		7,048,722		4,259,916	
<b>Value added</b>	<b>102,350,971</b>	<b>100%</b>	<b>153,560,387</b>	<b>100%</b>	<b>95,972,938</b>	<b>100%</b>	<b>142,612,059</b>	<b>100%</b>
<b>Applied as follows:</b>								
<b>To pay employees</b>								
Salaries and other personnel cost	3,106,167	3%	3,201,780	2%	2,337,570	5%	2,589,449	2%
<b>Maintenance of assets</b>								
Depreciation and amortisation	984,856	1%	918,759	1%	374,271	0%	303,857	0%
<b>To pay government</b>								
Taxation	834	0%	1,743	0%	-	0%	-	0%
<b>Retained for growth and expansion</b>								
<b>Profit for the year</b>	<b>98,259,114</b>	<b>96%</b>	<b>149,438,105</b>	<b>97%</b>	<b>93,261,097</b>	<b>95%</b>	<b>139,718,753</b>	<b>98%</b>
	<b>102,350,971</b>	<b>100%</b>	<b>153,560,387</b>	<b>100%</b>	<b>95,972,938</b>	<b>100%</b>	<b>142,612,059</b>	<b>100%</b>

Value added is the wealth created by the efforts of the Authority and its employees and its allocation between employees, shareholders, government, and re-investment for the future creation of further wealth.

## Five Year Financial Summary - Authority

	31 December 2022 ₦'000	31 December 2021 ₦'000	31 December 2020 ₦'000	31 December 2019 ₦'000	31 December 2018 ₦'000
<b>Statement of financial position</b>					
<b>Asset</b>					
Cash and cash equivalents	59,273,853	268,782,415	144,447,965	185,736,007	61,777,335
Investment securities	576,575,102	536,385,478	544,423,629	324,361,629	441,635,909
Loans and receivables	23,360,168	16,850,542	3,243,527	-	-
Restricted balances and other assets	352,813,040	362,353,574	218,908,170	75,878,818	36,082,678
Investment in subsidiary	9,000	9,000	895,797	1,753,398	5,116,826
Investment in associate and joint ventures	12,278,115	12,278,115	10,614,990	10,614,990	10,614,990
Right of use asset	6,751	73,414	13,421	43,488	-
Property and equipment	938,493	513,481	475,253	370,522	272,950
Intangible assets	49,992	84,820	121,284	100,235	12,893
<b>Total assets</b>	<b>1,025,304,514</b>	<b>1,197,330,839</b>	<b>923,144,036</b>	<b>598,859,087</b>	<b>555,513,581</b>
<b>Liabilities</b>					
Other liabilities	19,733,609	288,009,644	156,775,908	27,015,570	18,915,515
<b>Total liabilities</b>	<b>19,733,609</b>	<b>288,009,644</b>	<b>156,775,908</b>	<b>27,015,570</b>	<b>18,915,515</b>
<b>Equity and reserves</b>					
Contribution by Government	347,375,000	347,375,000	347,375,000	280,662,500	280,662,500
Retained earning	652,209,792	556,236,854	413,624,795	287,750,520	253,690,496
Fair value reserves	5,986,113	5,709,341	5,368,333	3,430,497	2,245,070
<b>Total equity and amount attributable to equity contributors (Government)</b>	<b>1,005,570,905</b>	<b>909,321,195</b>	<b>766,368,128</b>	<b>571,843,517</b>	<b>536,598,066</b>
<b>Total equity</b>	<b>1,005,570,905</b>	<b>909,321,195</b>	<b>766,368,128</b>	<b>571,843,517</b>	<b>536,598,066</b>
<b>Total equity and liabilities</b>	<b>1,025,304,514</b>	<b>1,197,330,839</b>	<b>923,144,036</b>	<b>598,859,087</b>	<b>555,513,581</b>
	31 December 2022 ₦'000	31 December 2021 ₦'000	31 December 2020 ₦'000	31 December 2019 ₦'000	31 December 2018 ₦'000
<b>Statement of comprehensive income</b>					
Investment and Interest income	13,407,426	8,944,690	10,719,006	7,567,781	24,899,792
Interest income on instrument measured at FVTPL	41,653,710	33,708,242	42,757,522	26,345,056	796,525
Net gain on financial assets	3,522,321	56,464,806	60,358,759	3,595,984	884,039
Net foreign exchange gains	38,484,622	45,800,056	50,771,621	1,288,894	18,901,727
<b>Total operating income</b>	<b>97,068,079</b>	<b>144,917,794</b>	<b>164,606,908</b>	<b>38,797,715</b>	<b>45,482,083</b>
Investment management fees	(1,086,906)	(1,055,765)	(927,775)	(745,501)	(731,478)
Local custodian fees	(55,519)	(43,947)	10,732	(19,181)	(45,613)
Foreign custodian fees	(152,867)	(144,410)	(126,534)	(177,611)	(89,629)
<b>Total investment management &amp; custodian fees</b>	<b>(1,295,292)</b>	<b>(1,244,122)</b>	<b>(1,043,577)</b>	<b>(942,293)</b>	<b>(866,720)</b>
Impairment charges on financial assets	(1,049,418)	(342,008)	(1,106,280)	(965,076)	(321,761)
<b>Total operating profit</b>	<b>94,723,369</b>	<b>143,331,664</b>	<b>162,457,051</b>	<b>36,890,346</b>	<b>44,293,602</b>
Other income	7,048,722	4,259,916	1,629,861	946,600	1,025,390
<b>Total other income</b>	<b>7,048,722</b>	<b>4,259,916</b>	<b>1,629,861</b>	<b>946,600</b>	<b>1,025,390</b>
Operating and administrative expenses	(5,799,153)	(4,976,463)	(4,647,646)	(3,769,396)	(3,282,523)
<b>Total operating and administrative expenses</b>	<b>(5,799,153)</b>	<b>(4,976,463)</b>	<b>(4,647,646)</b>	<b>(3,769,396)</b>	<b>(3,282,523)</b>
Interest expense	-	(7,526)	(2,491)	(7,526)	-
<b>Profit before tax</b>	<b>95,972,938</b>	<b>142,607,590</b>	<b>159,436,775</b>	<b>34,060,024</b>	<b>42,036,469</b>
<b>Profit for the year</b>	<b>95,972,938</b>	<b>142,612,059</b>	<b>159,436,775</b>	<b>34,060,024</b>	<b>42,036,469</b>

	Authority 31 December 2022 N'000	Authority 31 December 2021 N'000	Authority 31 December 2020 N'000	Authority 31 December 2019 N'000	Authority 31 December 2018 N'000
<b>Statement of comprehensive income</b>					
<b>Other comprehensive income:</b>					
<b>Items that may be subsequently reclassified to profit and loss</b>					
<b>Movement in fair value reserves</b>					
Net change in fair value	276,772	341,008	1,937,836	1,185,427	(208,616)
Net amount transferred to profit or loss/retained earnings					
<b>Other comprehensive income for the year</b>	<b>276,772</b>	<b>341,008</b>	<b>1,937,836</b>	<b>1,185,427</b>	<b>(208,616)</b>
<b>Total comprehensive income for the year</b>	<b>96,249,710</b>	<b>142,953,067</b>	<b>161,374,611</b>	<b>35,245,451</b>	<b>41,827,853</b>



## Five Year Financial Summary - Group

Statement of financial position	31 December 2022 ₦'000	31 December 2021 ₦'000	31 December 2020 ₦'000	31 December 2019 ₦'000	31 December 2018 ₦'000
<b>Asset</b>					
Cash and cash equivalents	60,185,675	269,602,956	145,257,520	216,047,631	73,844,290
Investment securities	628,070,376	571,633,505	569,376,444	357,524,381	461,391,586
Loans and receivables	32,610,185	15,467,411	1,440,792	-	-
Restricted balances and other assets	278,489,858	340,764,438	162,270,572	53,582,445	46,499,369
Inventories	198,013	142,746	152,549	4,615,646	20,685,075
Investment in associate and joint ventures	27,766,212	24,680,009	19,371,487	15,226,911	13,647,879
Right of use asset	173,662	251,270	202,222.00	249,905.00	-
Property and equipment	5,119,399	5,161,049	5,431,210	2,498,894	1,617,016
Intangible assets	95,103	125,695	213,544	100,235	12,893
<b>Total assets</b>	<b>1,032,708,483</b>	<b>1,227,829,079</b>	<b>903,716,340</b>	<b>649,846,048</b>	<b>617,698,108</b>
Assets classified as held for sale	-	-	78,064,684		
	<b>1,032,708,483</b>	<b>1,227,829,079</b>	<b>981,781,024</b>	<b>649,846,048</b>	<b>617,698,108</b>
<b>Liabilities</b>					
Other liabilities	16,019,550	308,102,429	159,824,323	47,177,240	48,258,049
Borrowings	-	-	-	23,133,382	26,052,673
Liabilities directly associated with assets classified as held for sale	-	-	49,209,187		
<b>Total liabilities</b>	<b>16,019,550</b>	<b>308,102,429</b>	<b>209,033,510</b>	<b>70,310,622</b>	<b>74,310,722</b>
<b>Equity and reserves</b>					
Contribution by Government	347,375,000	347,375,000	347,375,000	280,662,500	280,662,500
Share Premium	1,994,698	1,994,698	1,994,698	-	-
Retained earning	668,493,603	565,623,211	412,005,919	291,026,827	256,550,342
Fair value reserves	5,944,329	5,889,638	5,010,841	3,941,139	1,786,620
Currency translation reserves	(6,969,557)	(1,030,107)	6,429,941	3,907,858	4,382,101
<b>Total equity and amount attributable to equity contributors (Government)</b>	<b>1,016,838,073</b>	<b>919,852,440</b>	<b>772,816,399</b>	<b>579,538,324</b>	<b>543,381,563</b>
Non-controlling interests	(149,140)	(125,790)	(68,885)	(2,898)	5,823
<b>Total equity</b>	<b>1,016,688,933</b>	<b>919,726,650</b>	<b>772,747,514</b>	<b>579,535,426</b>	<b>543,387,386</b>
<b>Total equity and liabilities</b>	<b>1,032,708,483</b>	<b>1,227,829,079</b>	<b>981,781,024</b>	<b>649,846,048</b>	<b>617,698,108</b>

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
<b>Statement of comprehensive income</b>					
Investment and Interest income	13,574,560	10,200,690	8,720,542	8,443,836	27,026,428
Interest income on instrument measured at FVPL	41,653,710	33,708,242	42,757,522	26,345,056	796,525
Net gain on financial assets	1,648,076	56,913,252	58,094,087	2,831,932	245,960
Net foreign exchange gains	44,226,646	45,774,912	51,214,487	1,289,159	18,052,191
<b>Total operating income</b>	<b>101,102,992</b>	<b>146,597,096</b>	<b>160,786,638</b>	<b>38,909,983</b>	<b>46,121,104</b>
Investment management fees	(1,457,010)	(1,218,136)	(1,077,746)	(1,228,662)	(887,151)
Local custodian fees	(55,519)	(44,264)	10,732	(19,711)	(45,613)
Foreign custodian fees	(152,867)	(144,410)	(128,889)	(181,155)	(89,629)
<b>Total investment management &amp; custodian fees</b>	<b>(1,665,396)</b>	<b>(1,406,810)</b>	<b>(1,195,903)</b>	<b>(1,429,528)</b>	<b>(1,022,393)</b>
Impairment charges on financial assets	(1,434,423)	544,789	(744,867)	1,208,237	(943,923)
<b>Total operating profit</b>	<b>98,003,173</b>	<b>145,735,075</b>	<b>158,845,868</b>	<b>38,688,692</b>	<b>44,154,788</b>
Revenue from infrastructure subsidiaries investments	3,186,401	2,007,165	759,291	31,965,979	27,403,230
Expense from infrastructure subsidiaries investments	(920,345)	(575,920)	(190,130)	(35,662,535)	(30,608,117)
<b>Loss from infrastructure subsidiaries investments</b>	<b>2,266,056</b>	<b>1,431,245</b>	<b>569,161</b>	<b>(3,696,556)</b>	<b>(3,204,887)</b>
Other income	7,080,082	4,305,732	1,712,546	7,123,910	11,405,258
<b>Total other income</b>	<b>7,080,082</b>	<b>4,305,732</b>	<b>1,712,546</b>	<b>7,123,910</b>	<b>11,405,258</b>
Operating and administrative expenses	(8,220,582)	(6,971,632)	(6,801,111)	(4,263,302)	(3,762,225)
<b>Total operating and administrative expenses</b>	<b>(8,220,582)</b>	<b>(6,971,632)</b>	<b>(6,801,111)</b>	<b>(4,263,302)</b>	<b>(3,762,225)</b>
Interest expense	-	(3,058)	(2,491)	(4,546,556)	(2,617,160)
Share of profit of investments in associates	3,223,076	4,038,065	2,158,747	1,363,940	209,300
<b>Profit before tax</b>	<b>102,351,805</b>	<b>148,535,427</b>	<b>156,482,720</b>	<b>34,670,128</b>	<b>46,185,074</b>
Taxation	(834)	(1,743)	(12,417)	(202,364)	(219,461)
<b>Profit for the year from continuing operations</b>	<b>102,350,971</b>	<b>148,533,684</b>	<b>156,470,303</b>	<b>34,467,764</b>	<b>45,965,613</b>
Profit from discontinued operations	-	5,026,703	-	-	538,816
<b>Profit for the year</b>	<b>102,350,971</b>	<b>153,560,387</b>	<b>156,470,303</b>	<b>34,467,764</b>	<b>46,504,429</b>

	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000	31 December 2018 N'000
<b>Statement of comprehensive income</b>					
<b>Other comprehensive income:</b>					
<b>Items that may be subsequently reclassified to profit movement in fair value reserves</b>					
Net change in fair value	-	-	-	1,185,427	490,298
Share of other comprehensive income of investments in associate	(17,961)	(210,446)	147,586	215,092	59,960
Net amount transferred to profit or loss/retained earnings		-	-	-	-
Currency translation differences					
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</b>	<b>(5,939,450)</b>	<b>(7,460,048)</b>	<b>2,522,083</b>	<b>(474,243)</b>	<b>(2,418,579)</b>
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	568,723	1,089,243	922,116	754,000	(299,000)
<b>Other comprehensive income for the year</b>	<b>(5,388,688)</b>	<b>(6,581,251)</b>	<b>3,591,785</b>	<b>1,680,276</b>	<b>(2,167,321)</b>
<b>Total comprehensive income for the year</b>	<b>96,962,283</b>	<b>146,979,136</b>	<b>160,062,088</b>	<b>36,148,040</b>	<b>44,337,108</b>

## Glossary of Terms

2NB	Second Niger Bridge	FGN	Federal Government of Nigeria
AAI	African Access Initiative	FHFL	Family Homes Funds Limited
ADIA	Abu Dhabi Investment Authority	Fintech	Financial Technology
AFC	Africa Finance Corporation	FMCU	Federal Medical Centre, Umuahia
Agritech	Agriculture Technology	FOMC	Federal Open Market Committee
AI	Artificial Intelligence	FVOCI	Fair Value through Other Comprehensive Income
AKR	Abuja-Kano Road	FVTPL	Fair Value Through Profit or Loss
AKTH	Aminu Kano Teaching Hospital	FX	Foreign Exchange
API	Active Pharmaceutical Ingredient	GAC	Gas Aggregation Company of Nigeria
APTs	Advanced Persistent Threats	GCFR	Grand Commander of the Order of the Federal Republic
ASI	All-Share Index	GCON	Grand Commander of the Order of the Niger
ASIF	Africa Sovereign Investors Forum	GDP	Gross Domestic Product
ASMs	Artisanal Miners	GHG	Greenhouse Gas
AUM	Assets Under Management	GII	Global Innovation Index
BDR	Backup and Disaster Recovery	GMV	Gross Merchandise Value
BIA	Bridge International Academies	GPs	General Partners
BOD	Board of Directors	GSA	Gas Sales and Aggregation
BVGH	BIO Ventures for Global Health	GSR	Governance, Sustainability and Resilience
CAMELS	Capital, Asset Quality, Management Capability, Earnings, Liquidity, and Sensitivity	HA	Hectarages
CBN	Central Bank of Nigeria	HR	Human Resource
CEO	Chief Executive Officer	HRM	Human Resource Management
CIC	China Investment Corporation	IASB	International Accounting Standards Board
CIO	Chief Investment Officer	IBR	Incremental Borrowing Rate
COO	Chief Operating Officer	ICAEW	Institute of Chartered Accountants in England and Wales
CPI	Consumer Price Index	ICAN	Institute of Chartered Accountants of Nigeria
CSR	Corporate Social Responsibility	IFC	International Finance Corporation
DAP	Ammonia and Diammonium Phosphate	IFRIC	IFRS Interpretations Committee
DBN	Development Bank of Nigeria	IFRS	International Financial Reporting Standard
DfID	Department for International Development	IFRS	International Financial Reporting Standards
DIC	Direct Investment Committee	IFSWF	International Forum of Sovereign Wealth Fund
DJIA	Dow Jones Industrial Average	IMF	International Monetary Fund
DMO	Debt Management Office	InfraCredit	Infrastructure Credit Guarantee Company Limited
DPA	Deferred Payment Agreement	Insurtech	Insurance Technology
E&S	Environmental and Social	IPO	Initial Public Offering
EAD	Exposure at Default	IR+M	Income Research + Management
ECB	European Central Bank	IT	Information Technology
ECL	Expected Credit Loss	JBN	Julius Berger Nigeria PLC
ED	Executive Director	JV	Joint Venture
Edutech	Education Technology	KfW	German Development Bank/KfW Bankengruppe
EM	Emerging Market	KM	Kilometre
EMI	Externally Managed Investments	KPIs	Key Performance Indicators
EMIC	Externally Managed Investments Committee	KSG	Kano State Government
EPC	Engineering, Procurement, and Construction	LAMSL	LUTH Advanced Medical Services Limited
Equilease	Equilease Systems Ltd.	LBMA	London Bullion Market Association
ERP	Enterprise Resource Planning	LGA	Local Government Area
ESG	Environmental, Social, and Governance	LGD	Loss Given Default
ETF	Exchange Traded Fund	LIE	Lagos-Ibadan Expressway
ETP	Energy Transition Plan	LUTH	Lagos University Teaching Hospital
EUR	Euro	M2	Money Supply
FAFIN	Fund for Agricultural Finance in Nigeria	MD	Managing Director
FC	Financial Controller	MedServe	NSIA Advanced Medical Service Ltd.
FCT	Federal Capital Territory	MIPL	Multi-Purpose Industrial Platforms Limited
FCY	Foreign Currency	MOFI	Ministry of Finance Incorporated
FDI	Foreign Direct Investment	MOU	Memorandum of Understanding
FG	Federal Government	MPR	Monetary Policy Rate
FGF	Future Generations Fund		

MRI	Magnetic Resonance Imaging	OPEC	Organisation of Petroleum Exporting Countries
MSCI	Morgan Stanley Capital International	OPEC+	OPEC Members Plus Other Oil-producing Countries
MT	Metric Tonnes	OPSWF	One Planet Sovereign Wealth Fund
MW	Megawatts	P/E	Price/Earning
NAIC	NAIC Agriculture Investment Company (Mauritius) Limited	P/L	Profit and Loss
NAV	Net Asset Value	PAGMI	Presidential Artisanal Gold Mining Development Initiative
NBET	Nigerian Bulk Electricity Trading Plc	PD	Probability of Default
NBS	National Bureau of Statistics	PFI	Presidential Fertiliser Initiative
NCI	Non-Controlling Interest	PIDF	Presidential Infrastructure Development Fund
NCX	Nigerian Commodities Exchange	PIDG	Private Infrastructure Development Group
NDCs	Nationally Determined Contributions	PIT	Point-in-Time
NDIC	Nigeria Deposit Insurance Corporation	PPFs	Public Pension Funds
NEC	National Economic Council	PwC	PricewaterhouseCoopers
NED	Non-Executive Director	R&D	Research and Development
NFN	NSIA Female Network	RCC	Reynold Construction Company Ltd.
NGN	Nigerian Naira	ROA	Return on Asset
NHDIC	NSIA Healthcare Development and Investment Company	SAN	Senior Advocate of Nigeria
NIF	Nigeria Infrastructure Fund	SARS CoV 2	Severe Acute Respiratory Syndrome Coronavirus 2
NII	Net Interest Income	SCF	Standard Cubic Feet
NKDC	NSIA-Kano Diagnostic Centre	SDGs	Sustainable Development Goals
NKDC	NSIA Kano Diagnostic Centre	SF	Stabilisation Fund
NLCC	NSIA LUTH Cancer Centre	SICR	Significant Increase in Credit Risk
NLNG	Nigeria Liquefied Natural Gas Limited	SMDF	Solid Minerals Development Fund
NMIC	NSIA Motorways Investment Company	SMEs	Small and Medium Scale Enterprises
NMRC	Nigeria Mortgage Refinance Company	SPV	Special Purpose Vehicle
NMRC	Nigeria Mortgage Refinance Company	SWF	Sovereign Wealth Fund
NNPC	Nigerian National Petroleum Corporation	T-Bill	Treasury Bill
NPI	NSIA Prize for Innovation	TTC	Through-the-Cycles
NPK	Nitrogen, Phosphorus, and Potassium	UFF	African Agri Investments
NPT	National Performance Trials	UK	United Kingdom
NSIA	Nigeria Sovereign Investment Authority	UN	United Nations
NUDC	NSIA-Umuahia Diagnostic Centre	UNCTAD	United Nations Conference on Trade and Development
NUDC	NSIA Umuahia Diagnostic Centre	US	United States of America
NUPRC	Nigerian Upstream Petroleum Regulatory Commission	USD	United States Dollar
OaaS	Oncology as a Service	VC	Venture Capital
OAGF	Office of the Accountant General of the Federation	WB	World Bank
OCI	Other Comprehensive Income	YoY	Year-on-Year
OCP	Office Chérifien des Phosphates		

## Corporate Information

<b>Registered Office</b>	<b>The Clan Place</b> 4th Floor, Plot 1386A Tigris Crescent Maitama, Abuja Nigeria
<b>Auditors</b>	<b>PricewaterhouseCoopers</b> Landmark Towers 5B, Water Corporation Road Victoria Island, Lagos Nigeria
<b>Bankers</b>	<b>Central Bank of Nigeria</b> Plot 33, Abubakar Tafawa Balewa Way Central Business District Cadastral Zone Abuja, Federal Capital Territory Nigeria
<b>Fund Custodians</b>	<b>JP Morgan Chase &amp; Co (Global Custodian)</b> 25 Bank Street Canary Wharf London, E14 5JP  <b>Stanbic IBTC Bank Limited (Local Custodian)</b> IBTC Place 2, Walter Carrington Crescent Victoria Island, Lagos Nigeria  <b>Nigeria Sovereign Investment Authority</b> The Clan Place, 4th Floor Plot 1386A, Tigris Crescent Maitama, Abuja Nigeria Tel: +234 (0)9 461 0400 Email: <a href="mailto:webmaster@nsia.com.ng">webmaster@nsia.com.ng</a> <a href="http://www.nsia.com.ng">www.nsia.com.ng</a>







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