

NSIA Announces Audited Financial Results for 2021 Financial Year

Abuja, Nigeria - May 23, 2022

The Nigeria Sovereign Investment Authority ("NSIA" or "The Authority"), manager of Nigeria's sovereign wealth fund, today announces its audited results for the 2021 financial year. The strong financial performance underscores the resilience of the NSIA's investment strategy and the quality of its earnings given the challenging macro environment.

Highlights of NSIA's activities and performance during the period are as follows:

Financials

- Recorded 9th year of continuous earnings in spite of volatility and cyclical risks across markets.
- Total Comprehensive Income of N147.0 billion in 2021 a decline of 8.2% relative to 2020 at N160.1 billion; inclusive of FX gains of (N45.8 billion in 2021 and N51.2 billion in 2020).
- Total operating income - Core income (exclusive of FX gains) of N100.8 billion in 2021, down 8.0% compared to 109.6 billion in 2020.
- Net Assets grew 19.0% to N919.73 billion in 2021 (2020: N772.75 billion).
- Positive returns across the three funds.

According to the MD & CEO, Mr. Uche Orji,

"2021 marked the end of another solid fiscal year at NSIA. In the period, the Authority delivered a strong performance. While the results are in line with the Authority's expectations, strong performance of our developed market investments were offset by challenges in our emerging market asset allocation, particularly in China equities, which saw significant underperformance by technology company stocks. "

"Looking ahead to 2022 and beyond, we believe inflationary pressures will persist for much of this year, affecting the performance of all asset classes. We remain committed to strengthening the Authority's performance by strengthening our risk management teams. In addition to expanding our direct investment footprint in innovation and technology in Nigeria, we have also designated ESG as an investment focus area. We will remain unrelenting in our quest to deliver the Authority's clear 3-fold mandate. I am confident that the actions we are taking will create value for all our stakeholders in the medium to long term."

Fund Performance

Nigeria Infrastructure Fund (NIF)

The NSIA reached major milestones across domestic infrastructure projects specifically in motorways, agriculture, healthcare, technology, and gas industrialization among others.

• Agriculture:

PFI: The Presidential Fertiliser Infrastructure is one of the Authority's most successful intervention programmes. As of year-end 2021, 51 blending plans have been included in the programme starting from 11 in 2017. The operating entity of the programme NAIC-NPK (now PFI-NPK) has been divested to the Ministry of Finance Incorporated (MOFI) and is being managed by the Authority as a third-party asset. The restructured entity also turned a profit for the first time which is remarkable for what has been perennially a subsidized program.

PandaAgric - NSIA expects to commission Panda Agric in mid-to-late 2022. Panda Agric is an investee company under the NSIA-UFF US\$200m Agriculture Fund set up in 2016. Panda farm is engaged in the two-phase development of an animal feed processing business with backward integration through the farming of maize and soybean on about 3,500Ha of land in Nasarawa State ("Project Panda").

Approximately 96 % (720ha) of the targeted 750ha of center pivot irrigation coverage has been achieved.

• Technology:

In line with the Fund's objective, it successfully invested in a hyperscale cloud data company – Kasi Cloud Limited. Kasi Cloud is the next-generation interconnection and data center platform for hyperscale and enterprise cloud solutions. The company focuses on enabling cloud and digital transformation in Africa starting in Lagos, Nigeria. Kasi has commenced the construction of a "Tier IV" data centre worth US\$250 million in Lagos.

• Gas Industrialization:

Under its gas industrialization initiative, the Authority made significant progress in conceptualizing the development of the Ammonia and Di-Ammonium Phosphate production plants in partnership with OCP. We have secured a site for the plant and studies are on-going including the early stages of selecting an EPC company.

● **Toll Roads:**

The three road projects being implemented by the NSIA under the Presidential Infrastructure Development Fund (PIDF) namely the Lagos-Ibadan Expressway, Second Niger Bridge, and Abuja-Kaduna-Kano Highway have reached advanced stages of construction.

The target completion date for the first two projects is 2022/2023 with 2025 set as the delivery date for the revised scope on Abuja-Kaduna-Kano Highway.

● **Healthcare:**

The Authority's pilot healthcare centres continue to deliver value as expected. Having operationalized all 3 Centres, over 60,000 patients have received care. Both NSIA-Kano Diagnostic Centre and NSIA-Umuahia Diagnostic Centre have provided services to over 50,000 patients while the Cancer Centre has attended to over 10,000 patients.

The Authority is in the process of developing an Active Pharmaceutical Ingredient Manufacturing Plant (API) Company in Nigeria. NSIA has secured approval and began the development plans for the construction and operationalization of 23 new modern medical diagnostic centers of excellence covering all 6 geopolitical zones in the country, 2 Oncology centres are to be cited in Enugu and Kaduna states, and 6 Cath Labs.

NSIA's healthcare investments will further help to create access to quality healthcare for at least one million patients per annum.

Future Generations Fund (FGF)

The Future Generations Fund returned 12% (in USD terms) for the year, with Private Equity, Developed Equity, and Hedge funds being the best performers in 2021.

- The Hedge Funds: The hedge funds composite returned 12.75% (in USD terms) for the year.
- Long Only Equity: The Developed Equity assets returned 17.46% (in USD terms) for the year. Emerging market equities posted a decline in the year of -1.92%.
- Private Equity: Private equity, venture capital and other diversifiers had a strong showing for the year at a combined +23% (in USD terms) for the year.

Stabilisation Fund (SF)

The Stabilisation Fund is invested in the United States sovereign debt instruments and Investment Grade Corporate Credit. At the end of December 2021, 21% of the fund

ESG – Environmental Social and Governance

FGF – Future Generations Fund

NIF – Nigeria Infrastructure Fund

SF – Stabilisation Fund

was invested in a portfolio of US treasury bonds tracking the Bloomberg Barclays US Treasury bond 1–3-year index.

The fund returned 1.60% (in USD terms) for the year, with the structured products sub-set returning 3.69% (in USD terms) for the year.

Governance

In the 2021 financial year, the tenure of the 2nd Board ended on May 2021, and a new Board was inaugurated in September 2021 by His Excellency, President Muhammadu Buhari.

Mrs. Stella Ojekwe-Onyejeli, one of the pioneer staff who doubled as the Chief Operating Officer and Executive Director, concluded her tenure in October 2021, after 9 years of meritorious service.

A number of senior staff were brought into the NSIA in 2021 to strengthen the institution and prepare the Authority for future growth including the Chief Risk Officer.

Outlook

- We believe 2022 will be the most challenging investment environment in the last 15 years as a combined effect of Inflation, Russia-Ukraine and covid related supply chain challenges combine to create a tough environment for most asset classes.
- NSIA will continue to drive direct investments in its core areas of: healthcare, toll roads, gas industrialisation, technology, ESG, Financial markets infrastructure, toll-roads, power and agriculture.
- Asset transfers will be an important component of our growth strategy in the medium to long term as we see significant opportunities in the Federal Government's portfolio of power and real estate assets.



Press Release
23/05/2022

ENDS



Press Release

23/05/2022

About the Nigeria Sovereign Investment Authority

The Nigeria Sovereign Investment Authority is an investment institution of the Federation set up to manage funds in excess of budgeted hydrocarbon revenues. Its mission is 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, and providing stabilization support in times of economic stress.

NSIA operates three mandate funds: The Stabilization Fund, the Future Generations Fund, and the Nigeria Infrastructure Fund. For more information, please visit www.nsia.com.ng

PRESS CONTACTS

Head, Corporate Comms

Phone:

E-mail: tolubiyi@nsia.com.ng

ESG – Environmental Social and Governance

FGF – Future Generations Fund

NIF – Nigeria Infrastructure Fund

SF – Stabilisation Fund

NSIA Financial Statements

Balance Sheet

Summary Consolidated and Separate Statements of Financial Position				
	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Authority 31-Dec-21 N'000	Authority 31-Dec-20 N'000
ASSETS -				
Cash and cash equivalents	269,602,956	145,257,520	268,782,415	144,447,965
Investment securities	571,633,505	569,376,444	536,385,478	544,423,629
Loans and receivables	15,467,411	1,440,792	16,850,542	3,243,527
Restricted balances and other assets	340,764,438	162,270,572	362,353,574	218,908,170
Inventories	142,746	152,549	-	-
Investment in subsidiaries	-	-	9,000	895,797
Investments accounted for using the equity method	24,680,009	19,371,487	12,278,115	10,614,990
Right of use asset	251,270	202,222	73,414	13,421
Property and equipment	5,161,049	5,431,210	513,481	475,253
Intangible assets	125,695	213,544	84,820	121,284
	1,227,829,079	903,716,340	1,197,330,839	923,144,036
Assets classified as held for sale	-	78,064,684	-	-
Total assets	1,227,829,079	981,781,024	1,197,330,839	923,144,036
LIABILITIES				
Other liabilities	308,102,429	159,824,323	288,009,644	156,775,908
Liabilities directly associated with assets classified as held for sale	-	49,209,187	-	-
Total liabilities	308,102,429	209,033,510	288,009,644	156,775,908
EQUITY AND RESERVES				
Contribution by Government	347,375,000	347,375,000	347,375,000	347,375,000
Retained earnings	567,617,909	414,000,617	556,236,854	413,624,795
Fair value reserves	5,889,638	5,010,841	5,709,341	5,368,333
Foreign Currency translation reserve	(1,030,107)	6,429,941	-	-
Total equity and amount attributable to equity contributors (Government)	919,852,440	772,816,399	909,321,195	766,368,128
Non-controlling interest	(125,790)	(68,885)	-	-
Total liabilities and equity	1,227,829,079	981,781,024	1,197,330,839	923,144,036

ESG – Environmental Social and Governance

FGF – Future Generations Fund

NIF – Nigeria Infrastructure Fund

SF – Stabilisation Fund

Income Statement

Summary Consolidated And Separate Statement of Comprehensive Income

	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Authority 31-Dec-21 N'000	Authority 31-Dec-20 N'000
Interest income on financial assets at amortised cost	5,658,521	5,776,966	5,591,884	6,263,822
Investment income	4,542,169	2,943,576	3,352,806	4,455,184
Interest income on financial assets at FVTPL	33,708,242	42,757,522	33,708,242	42,757,522
Net gain on financial assets	56,913,252	58,094,087	56,464,806	60,358,759
Net foreign exchange gain	45,774,912	51,214,487	45,800,056	50,771,621
Other income	4,305,732	1,712,546	4,259,916	1,629,861
Share of profit of investments accounted for using the equity method	4,038,065	2,158,747	-	-
Total income	154,940,893	164,657,931	149,177,710	166,236,769
Investment management and custodian fees	(1,406,810)	(1,195,903)	(1,244,122)	(1,043,577)
Write back/(Impairment charge) on financial assets	544,789	(744,867)	(342,008)	(1,106,280)
Depreciation and amortisation	(918,759)	(568,926)	(303,857)	(244,289)
Operating and administrative expenses	(6,052,873)	(6,232,185)	(4,672,606)	(4,403,357)
Interest expense	(3,058)	(2,491)	(3,058)	(2,491)
Operating profit/(loss) from infrastructure subsidiaries	1,431,245	569,161	-	-
Profit before taxation	148,535,427	156,482,720	142,612,059	159,436,775
Taxation	(1,743)	(12,417)	-	-
Profit for the year from continuing operations	148,533,684	156,470,303	142,612,059	159,436,775
Profit from discontinued operations	5,026,703	-	-	-
Profit for the year	153,560,387	156,470,303	142,612,059	159,436,775
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	1,089,243	922,116	341,008	1,937,836
Share of other comprehensive income of associates and joint ventures	(210,446)	147,586	-	-
Exchange differences on translating foreign operations	(7,460,048)	2,522,083	-	-
Total comprehensive income for the year	146,979,136	160,062,088	142,953,067	161,374,611
Total comprehensive income for the year is attributable to:				
Owners of NSIA	147,036,041	160,128,075	142,953,067	161,374,611
Non-controlling interest	(56,905)	(65,987)	-	-
Total comprehensive income for the year	146,979,136	160,062,088	142,953,067	161,374,611