

## NSIA Announces Audited Financial Results for 2022 Financial Year

Abuja, Nigeria - March 30, 2023

The Nigeria Sovereign Investment Authority ("NSIA" or "The Authority"), manager of Nigeria's sovereign wealth fund, today announces its audited results for the 2022 financial year. The financial performance underscores the resilience of the NSIA's investment strategy and the quality of its earnings, notwithstanding the challenging macroeconomic environment.

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

### Financials

- Recorded 10th straight year of continuous positive earnings despite volatility and headwinds across global markets.
- Net Asset grew by 10.5% to N1.02 trillion in 2022 (2021: N919.73 billion).
- Earnings from interest income, infrastructure business revenue, and fiduciary activities' management fees increased by 34.5% amounting to N15.7 billion year-on-year growth.
- Total Comprehensive Income closed at N96.96 billion for 2022, a decline of 34.0% relative to N147.98 billion in 2021.

### **According to the Managing Director & Chief Executive Officer, Mr. Aminu Umar-Sadiq,**

"Against market expectations and internal forecast, NSIA closed the 2022 financial year with a respectable performance. This result underscores the robustness of our diversified portfolio, and the excellent commitment of the staff. Although the Group reported declining earnings year-on-year, the underlying portfolio exhibited significant resilience given the challenging macroeconomic environment characterized by rising inflation, geopolitical tension, and the impact of Covid-19 particularly in China.

As we look to the future, NSIA is resolute in its commitment to delivering increased investments in critical sectors of the economy, driving growth across its funds, and attracting third-party capital into Nigeria's infrastructure sector. In 2023, we will be resourcing our various platforms targeted at emerging sectors – renewable energy, sustainability, and innovation – which will ensure the Authority achieves its dual objectives of delivering financial returns and impactful social outcomes."

### **Market Overview & Performance Summary**

The 2022 fiscal year was marked by unprecedented shocks, such as the COVID-19 lockdown in China, the Russia-Ukraine conflict, food and energy crises, supply-chain disruptions, soaring inflation, and monetary policy tightening, which precipitously impacted the global financial markets.

Like other emerging and frontier markets, the Nigerian economy faced multi-dimensional challenges during the year. From surging inflation primarily driven by high cost of petroleum products and food prices to declining oil output and weakening currency, thus the prospect for growth diminished as the year wound down.

The reduction in the Group earnings in 2022 was primarily attributable to the decline in the performance of the Future Generations and Stabilization funds invested in emerging and developed financial market instruments and exposed to volatility issues within the global markets. It is however noteworthy that earnings from interest income, infrastructure business revenue, and fiduciary activities' management fees increased by 34.5% (N15.7 billion) year-on-year. These returns provided the needed diversification of the Group's revenue base and cushioned the effect of the decline in the earnings from the market facing assets. .

NSIA remains confident in its investment strategy and will continue to explore opportunities to mitigate risks and drive financial performance.

### **Nigeria Infrastructure Fund (NIF)**

In 2022, NSIA reached a significant milestone in implementing its infrastructure strategy by delivering key projects. These projects cut across our core sectors of focus and the implementation of specialized federal government initiatives:

- **Agriculture**

**Presidential Fertiliser Initiative (PFI):** As of year-end 2022, 72 blending plants had been included in the programme starting from 11 in 2017. In 2021, NSIA divested its interest in NAIC-NPK (now PFI-NPK), ceding its interest to the Ministry of Finance Incorporated (MOFI) while the management of the programme remains with the Authority. The PFI-NPK reported a profit in 2022, the second year in a row, signaling a departure from prior import substitution programmes for fertiliser.

**Pandagric Novum:** After roughly three years of development and construction work, the Pandagric Novum farm, a joint venture between NSIA and Signature Agri Investment, was commissioned in September of 2022 by His Excellency, the Vice President of Nigeria, Prof. Yemi Osinbajo SAN.

The fully operational, integrated farm is cited on 3,500 ha of land for the cultivation of maize and soybeans and connected to a 147,000 metric tons per annum capacity poultry feed mill. It has 75,000 tons of storage infrastructure consisting of two silos and six bunkers, as well as 35,000 tons of raw material and finished goods storage.

- **Technology**

*ESG – Environmental, Social and Governance*

*FGF – Future Generations Fund*

*NIF – Nigeria Infrastructure Fund*

*SF – Stabilisation Fund*

During the year, NSIA introduced the NSIA Prize for Innovation (NPI) as a measure to stimulate the ingenuity of Nigerian innovators and technopreneurs to develop solutions that address real-world challenges with global application. The NPI program is a business enhancement initiative to support early-stage, growth-driven tech solutions through education, mentorship, and financing. The program aims to catalyze the growth of the Nigerian technology ecosystem by identifying budding innovators, enhancing their capabilities, and providing a platform to scale their solutions globally.

- **Gas Industrialization**

**Multi-Purpose Industrial Platforms Project:** Under its gas industrialization initiative, the Authority and its partner OCP Group of Morocco, made significant progress in the development of the 1.5MMT Ammonia and Di-Ammonium Phosphate production plants due to be cited in Akwa Ibom State. The development of the project has reached an advanced stage, with all preliminary studies concluded. The Gas Supply and Aggregation Agreement is being finalized with relevant parties, and financing is largely in place to ensure the delivery of the project.

- **Toll Roads**

In the 2022 financial year, NSIA continued its development of various projects under the Presidential Infrastructure Development Fund (PIDF), namely the Lagos-Ibadan Expressway ("LIE"), Second Niger Bridge ("2NB"), and Abuja-Kaduna-Kano Highway ("AKR").

These projects have reached advanced stages of construction, building on the successes of the 2021 financial year. The initial scope of the AKR was completed, and significant progress was achieved on the 2NB and LIE.

- **Healthcare**

NSIA has kicked off the roll-out of phase 2 of its healthcare projects on the successes of the LUTH Cancer Centre and its two diagnostic centres in Kano and Umuahia. During the year, the Authority secured approval and began developing 23 new modern medical diagnostic centers of excellence which will span across all six geopolitical zones in the country. Presently, two Oncology centres to be located in Enugu and Kaduna states, and six Cath Labs have advanced to the project execution stage.

On another note, NSIA has incorporated an equipment leasing company, Equilease. This is in fulfilment of NSIA's commitment to bridge notable voids in the domestic healthcare value chain. Equilease was conceived to stimulate the proliferation of high-quality medical infrastructure in Nigeria by providing alternative financing options for acquiring critical medical equipment via equipment leasing.

- **Power**

NSIA completed the 10MW Haske solar power plant in Kano in 2022 as its flagship renewable energy sector project. The power plant was developed on behalf of the Federal government and its subnational co-investors to provide off-grid electricity in the Kumbotso Local Government of Kano State.

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## **Future Generations Fund (FGF)**

NSIA's approach centered on generating healthy risk-adjusted returns, cautiously increasing market exposure, and growing the tactical allocation portfolio within the year. The Authority's portfolio delivered a return of 1.87% (in US\$ terms) for the year ended 2022.

The Future Generations Fund outperformed its sovereign wealth funds peers by 10% on average, with Private Equity being the top-performing sector. Developed Equity, Hedge Funds, and Emerging Long Only Equity posted a decline in the year due to prevailing macroeconomic market conditions. Notable developments within the year included:

- Onboarded six fund strategies. This includes NSIA's first stand-alone exposure to an Asian private market Fund.
- Exited from two strategies.
- Onboarded a new fund performance reporting provider.
- Restructured the Hedge Fund portfolio and strengthened the tactical asset allocation strategy.

## **Stabilisation Fund (SF)**

The Stabilisation Fund is largely invested in the U.S.'s sovereign debt instruments and Investment Grade Corporate Credit.

At the end of December 2022, approximately 30% of the fund was invested in a portfolio of U.S. treasury bonds tracking the Bloomberg Barclays U.S. Treasury bond 1–3-year index. The fund returned 4.08% (in US\$ terms) for the year.

## **Governance**

In the 2022 financial year, the pioneer MD & CEO, Mr. Uche Orji, completed his second and final tenure on September 30, 2022, and a new Executive Management team led by Mr. Aminu Umar-Sadiq was appointed by His Excellency, President Muhammadu Buhari in October of 2022. Two other Executive Directors, Kolawole Owodunni and Olubisi Makoju were appointed to the Board of NSIA.

This internal sourcing of the new executives underscores the depth of the succession plan and the bench strength of NSIA.

## **Looking Forward Commitment**

The Authority remains committed to managing Nigeria's sovereign wealth fund and delivering on the mandates enshrined in the NSIA Act. Under the leadership of its board, executive management, and staff, NSIA is poised to continue creating long-term value for its stakeholders by delivering excellent financial results, developing a healthy portfolio of infrastructure projects, and enhancing the desired social outcomes.

## Outlook

- The challenging macroeconomic environment is expected to prevail for the larger part of 2023 as a result of the lingering effect of the Russia-Ukraine conflict, the activities of central banks of developed economies in curtailing inflation, and deglobalization challenges.
- ESG, Sustainability and Climate finance will play a vital role in our investment approach and strategy going forward.
- NSIA will continue to drive direct investments in its core areas – healthcare, gas industrialization, technology, power, and agriculture.

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**Press Release**  
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### **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](http://www.nsia.com.ng)

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