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**Nigeria Sovereign Investment Authority**  
**Unaudited consolidated and separate interim**  
**financial statements**  
**for the 9 months period ended 30 September 2019**

**Nigeria Sovereign Investment Authority**  
**Unaudited consolidated and separate interim financial statements**  
**For the 9 months period ended 30 September 2019**

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**Nigeria Sovereign Investment Authority**  
**Unaudited consolidated and separate interim financial statements**  
**For the 9 months period ended 30 September 2019**  
**General Information**

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Board of Directors	<p>Mr Olajide Zeitlin (Chairman)          Mr. Uche Orji (Managing Director)          Mrs. Stella Ojekwe-Onyejeli (Executive Director)**          Mr. Aminu Umar-Sadiq (Executive Director)*          Ms. Halima Buba (Non-executive Director)          Mr. Urum Kalu Eke, MFR (Non-executive Director)          Mr. Asue Ighodalo (Non-executive Director)          Mr. Bello Maccido (Non-executive Director)          Ms. Lois Laraba Machunga-Disu (Non-executive Director)</p>
Registered office	<p>The Clan Place, 4th floor          Plot 1386A Tigris Crescent          Maitama          Abuja</p>
Auditor	<p>PricewaterhouseCoopers          Landmark Towers          5B Water Corporation Road          Victoria Island          Lagos</p>
Secretary to the Authority	<p>Mrs. Ezinwa Okoroafor (Acting)</p>
Fund custodians	<p>JP Morgan Chase &amp; Co (Global Custodian)          25 Bank Street          Canary Wharf          London, E14 5JP. United Kingdom</p> <p>Stanbic IBTC Bank Limited (Local Custodian)          IBTC Place          2, Walter Carrington Crescent          Victoria Island          Lagos, Nigeria</p>

*\*Was announced Executive Director 13 March 2019, effective 21 February 2019*

*\*\*Was announced Executive Director 13 March 2019, effective 17 October 2017*

**Nigeria Sovereign Investment Authority**  
**Unaudited consolidated and separate interim financial statements**  
**For the 9 months period ended 30 September 2019**

**Directors' report**

**1 Financial statements**

The directors of the Authority present their report on the affairs of Nigeria Sovereign Investment Authority ('the Authority' or 'NSIA'), together with the financial statements of the Authority and the subsidiaries (known as "the Group") and independent auditor's review report for the period ended September 2019.

**2 Principal activities**

The Authority was established by the Nigeria Sovereign Investment Authority (Establishment etc.) Act, 2011 to manage excess funds from the country's sale of crude oil. This is performed through three (3) funds; Stabilisation Fund (SF), Nigeria Infrastructure Fund (NIF) and the Future Generation Fund (FGF). The Authority commenced operations in October 2012.

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

**3 Operating results**

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

	<b>Group</b> <b>30 September</b> <b>2019</b> <b>N'000</b>	<b>Authority</b> <b>30 September</b> <b>2019</b> <b>N'000</b>
Interest and investment income	27,446,230	26,491,063
Gain on financial assets	1,417,945	2,205,274
Net foreign exchange gain	1,751,622	1,642,427
Investment management and custodian fees	(944,792)	(873,676)
Impairment (charge)/write back on financial assets	(70,677)	373,548
Loss from infrastructure subsidiaries investments	(1,444,976)	-
Other income	2,056,435	20,990
Operating and administrative expenses	(3,133,425)	(2,472,313)
Interest expense	(2,936,067)	-
Share of profit of investments accounted for using the equity method	740,049	-
Profit before taxation	<b>24,882,344</b>	<b>27,387,313</b>
Total comprehensive income for the period	<b>24,597,435</b>	<b>29,239,906</b>

**4 Objective**

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

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


**5 Governance and management**

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

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

**6 Employee health, safety and environment**

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

  
**Mrs. Ezinwa Okoroafor**  
 General Counsel

FRCN/2016/NBA/00000015045

**Nigeria Sovereign Investment Authority**  
**Unaudited consolidated and separate interim financial statements**  
**For the 9 months period ended 30 September 2019**  
**Statement of directors' responsibilities**

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

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

The directors accept responsibilities for the quarterly 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 the Nigeria Sovereign Investment Authority Act.

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

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

**Signed on behalf of the board of directors by:**



**Mr. Uche Orji**  
Director  
FRC/2014/IODN/00000007036



**Mrs. Stella Ojekwe-Onyejeli**  
Director  
FRC/2014/IODN/00000005766



## REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS TO THE MEMBERS OF THE NIGERIA SOVEREIGN INVESTMENT AUTHORITY

### Introduction

We have reviewed the accompanying consolidated and separate interim statement of financial position of Nigeria Sovereign Investment Authority ("the Authority") and its subsidiaries (together "the Group") as at 30 September 2019 and the related consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, and statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation and fair presentation of these consolidated and separate interim financial statements in accordance with the International Accounting Standard 34 "Interim financial reporting". Our responsibility is to express a conclusion on these consolidated and separate interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated and separate interim financial statements do not give a true and fair view of the financial position of the Group and the Authority as at 30 September 2019, and of its financial performance and its cash flows for the nine-month period then ended in accordance with International Financial Reporting Standard 34 "Interim financial reporting".

*Tolu Adeleke*

For: PricewaterhouseCoopers  
Chartered Accountants  
Lagos, Nigeria

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



6 October 2020

**Nigeria Sovereign Investment Authority**  
**Unaudited consolidated and separate interim financial statements**  
**Statement of comprehensive income**  
**For the three and nine months period ended 30 September 2019**

		<b>Group</b>			
		<b>Nine months ended 30 September</b>		<b>Three months ended 30 September</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Notes</b>		<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
Interest income	9	24,936,534	25,334,232	9,917,840	8,520,383
Investment income	10	1,718,364	3,607,466	331,082	343,803
Interest income on financial assets at FVTPL	11	791,332	345,106	287,312	182,041
Gain/(loss) on financial assets	12	1,417,945	2,760,621	(5,442,826)	15,294,597
Net foreign exchange gain	13	1,751,622	2,315,545	1,898	665,630
<b>Total operating income</b>		<b>30,615,797</b>	<b>34,362,970</b>	<b>5,095,306</b>	<b>25,006,454</b>
Investment management fees		(722,376)	(700,191)	(166,556)	(169,470)
Global and local custodian fees		(222,416)	(127,345)	(90,654)	(76,343)
<b>Total investment management and custodian fees</b>		<b>(944,792)</b>	<b>(827,536)</b>	<b>(257,210)</b>	<b>(245,813)</b>
Impairment charge on financial assets	14	(70,677)	(6,867,674)	(1,432,660)	(213,847)
<b>Total operating profit</b>		<b>29,600,328</b>	<b>26,667,760</b>	<b>3,405,436</b>	<b>24,546,794</b>
Revenue from infrastructure subsidiaries investments	15	30,259,861	22,743,105	13,738,976	8,583,720
Expense from infrastructure subsidiaries investments	16	(31,704,837)	(25,202,655)	(13,724,427)	(4,483,509)
Loss from infrastructure subsidiaries investments		(1,444,976)	(2,459,550)	14,549	4,100,211
Other income	17	2,056,435	8,449,996	709,644	3,245,191
Operating and administrative expenses	18	(3,133,425)	(2,897,889)	(983,158)	(921,348)
Interest expense	19	(2,936,067)	(1,662,638)	(990,859)	(835,435)
Share of profit of investments accounted for using the equity method	25	740,049	241,890	198,288	87,118
<b>Profit before taxation</b>		<b>24,882,344</b>	<b>28,339,569</b>	<b>2,353,900</b>	<b>30,222,531</b>
Taxation		(73,481)	(168,208)	(788)	(55,979)
<b>Profit for the period</b>		<b>24,808,863</b>	<b>28,171,361</b>	<b>2,353,112</b>	<b>30,166,552</b>
<b>Other comprehensive income:</b>					
<b>Items that may be reclassified to profit or loss</b>					
Net change in fair value of financial assets at FVOCI	30.3	(574,953)	463,016	(2,250,600)	(95,718)
Share of other comprehensive income/(loss) of associates and joint venture	25	169,134	(6,103)	142,701	(25,300)
Exchange differences on translating foreign operations	30.4	194,391	(3,456,722)	356,751	(3,357,989)
<b>Other comprehensive income/(loss) for the period</b>		<b>(211,428)</b>	<b>(2,999,809)</b>	<b>(1,751,148)</b>	<b>(3,479,007)</b>
<b>Total comprehensive income for the period</b>		<b>24,597,435</b>	<b>25,171,552</b>	<b>601,964</b>	<b>26,687,545</b>
<b>Profit/(loss) attributable to:</b>					
Owners of NSIA		24,809,208	28,170,473	2,353,637	30,164,730
Non-controlling interest		(345)	888	(525)	1,822
<b>Total comprehensive income/(loss) attributable to:</b>		<b>24,808,863</b>	<b>28,171,361</b>	<b>2,353,112</b>	<b>30,166,552</b>
Owners of NSIA		24,597,713	25,170,474	602,555	26,684,540
Non-controlling interest		(278)	1,078	(591)	3,005
		<b>24,597,435</b>	<b>25,171,552</b>	<b>601,964</b>	<b>26,687,545</b>

The accompanying notes on pages 11 to 71 form an integral part of these consolidated and separate financial statements.

**Nigeria Sovereign Investment Authority**  
**Unaudited consolidated and separate interim financial statements**  
**Statement of comprehensive income**  
**For the three and nine months period ended 30 September 2019**

	Notes	Authority			
		Nine months ended 30 September		Three months ended 30 September	
		2019 N '000	2018 N '000	2019 N '000	2018 N '000
Interest income	9	24,936,182	25,334,232	9,917,708	8,520,383
Investment income	10	763,549	1,337,959	107,210	31,858
Interest income on financial assets at FVTPL	11	791,332	345,106	287,312	182,041
Gain/(loss) on financial assets	12	2,205,274	2,852,825	(5,878,645)	10,288,827
Net foreign exchange gain	13	1,642,427	2,226,275	2,105	576,793
<b>Total operating income</b>		<b>30,338,764</b>	<b>32,096,397</b>	<b>4,435,690</b>	<b>19,599,902</b>
Investment management fees		(652,327)	(573,072)	(96,507)	(115,815)
Global and local custodian fees		(221,349)	(127,345)	(89,944)	(76,343)
<b>Total investment management and custodian fees</b>		<b>(873,676)</b>	<b>(700,417)</b>	<b>(186,451)</b>	<b>(192,158)</b>
Impairment write (charge)/back on financial assets	14	373,548	(363,749)	(56,984)	260,304
<b>Total operating profit</b>		<b>29,838,636</b>	<b>31,032,231</b>	<b>4,192,255</b>	<b>19,668,048</b>
Other income	17	20,990	1,024,130	11,293	3,743
Operating and administrative expenses	18	(2,472,313)	(2,389,496)	(861,587)	(767,849)
<b>Profit before taxation</b>		<b>27,387,313</b>	<b>29,666,865</b>	<b>3,341,961</b>	<b>18,903,942</b>
Taxation		-	-	-	-
<b>Profit for the period</b>		<b>27,387,313</b>	<b>29,666,865</b>	<b>3,341,961</b>	<b>18,903,942</b>
<b>Other comprehensive income:</b>					
<b>Items that may be reclassified to profit or loss</b>					
Net change in fair value of financial assets at FVOCI	30.3	1,852,593	719,443	166,823	4,699,228
<b>Other comprehensive income for the period</b>		<b>1,852,593</b>	<b>719,443</b>	<b>166,823</b>	<b>4,699,228</b>
<b>Total comprehensive income for the period</b>		<b>29,239,906</b>	<b>30,386,308</b>	<b>3,508,784</b>	<b>23,603,170</b>

The accompanying notes on pages 11 to 71 form an integral part of these consolidated and separate financial statements.



**Nigeria Sovereign Investment Authority**

**Unaudited consolidated and separate interim financial statements**  
**Statements of financial position as at 30 September 2019**

		Group	Group	Authority	Authority
		30 September	31 December	30 September	31 December
		2019	2018	2019	2018
	Notes	N '000	N '000	N '000	N '000
<b>Assets</b>					
Cash and cash equivalents	20	136,074,119	76,154,290	122,154,521	61,777,335
Investment securities	21	524,388,435	461,391,586	496,738,563	441,635,909
Other assets	22	49,799,693	44,189,369	42,293,541	36,082,678
Inventories	23	7,246,288	20,685,075	-	-
Investment in subsidiaries	24	-	-	5,116,826	5,116,826
Investments accounted for using the equity method	25	14,557,062	13,647,879	10,614,990	10,614,990
Property and equipment	26	2,360,774	1,617,016	373,682	272,950
Intangible assets	27	42,142	12,893	42,142	12,893
<b>Total assets</b>		<b>734,468,513</b>	<b>617,698,108</b>	<b>677,334,265</b>	<b>555,513,581</b>
<b>Liabilities</b>					
Other liabilities	28	142,636,212	48,258,049	111,496,293	18,915,515
Borrowings	29	23,847,413	26,052,673	-	-
<b>Total liabilities</b>		<b>166,483,625</b>	<b>74,310,722</b>	<b>111,496,293</b>	<b>18,915,515</b>
<b>Equity</b>					
<b>Equity attributable to equity holders of parent</b>					
Contribution by Government	30.1	280,662,500	280,662,500	280,662,500	280,662,500
Retained earnings	30.2	281,359,550	256,550,342	281,077,809	253,690,496
Fair value reserve	30.3	1,380,801	1,786,620	4,097,663	2,245,070
Foreign currency translation reserve	30.4	4,576,492	4,382,101	-	-
		<b>567,979,343</b>	<b>543,381,563</b>	<b>565,837,972</b>	<b>536,598,066</b>
Non-controlling interest	30.5	5,545	5,823	-	-
		<b>567,984,888</b>	<b>543,387,386</b>	<b>565,837,972</b>	<b>536,598,066</b>
<b>Total equity and liabilities</b>		<b>734,468,513</b>	<b>617,698,108</b>	<b>677,334,265</b>	<b>555,513,581</b>

Signed on behalf of the Board of Directors on ....., June 2020 by:

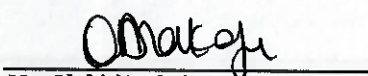


**Mr Uche Orji**  
Managing Director  
FRC/2014/IODN/00000007036



**Mrs Stella Ojekwe-Onyejeli**  
Director  
FRC/2014/ICAN/00000005766

Additionally certified by:



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

The accompanying notes on pages 11 to 71 form an integral part of these consolidated and separate financial statements.

**Nigeria Sovereign Investment Authority**

**Unaudited consolidated and separate interim financial statements**

**Statement of changes in equity**

**For the 9 months period ended 30 September 2019**

<b>Group</b>	<b>Contribution by Government N '000</b>	<b>Foreign currency translation reserve N '000</b>	<b>Fair value reserve N '000</b>	<b>Retained earnings N '000</b>	<b>Non-controlling interest N '000</b>	<b>Total equity N '000</b>
Balance at 1 January 2018	280,662,500	6,801,726	43,190,981	170,402,086	4,730	501,062,023
Changes on initial application of IFRS 9	-	-	-	(2,011,745)	-	(2,011,745)
Restated balance as at 1 January 2018	280,662,500	6,801,726	43,190,981	168,390,341	4,730	499,050,278
Profit for the period	-	-	-	28,170,473	888	28,171,361
Currency translation differences	-	(3,457,687)	-	-	965	(3,456,722)
Net change in fair value of financial assets FVOCI	-	-	463,791	-	(775)	463,016
Reclassification from fair value and currency reserve as a result of adoption of IFRS 9	-	-	(41,656,465)	41,656,465	-	-
Share of other comprehensive income of associates	-	-	(6,103)	-	-	(6,103)
Total other comprehensive income/(loss) for the period	-	(3,457,687)	(41,198,777)	41,656,465	190	(2,999,809)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>(3,457,687)</b>	<b>(41,198,777)</b>	<b>69,826,938</b>	<b>1,078</b>	<b>25,171,552</b>
<b>Balance at 30 September 2018</b>	<b>280,662,500</b>	<b>3,344,039</b>	<b>1,992,204</b>	<b>238,217,279</b>	<b>5,808</b>	<b>524,221,830</b>

<b>Group 30 September 2019</b>	<b>Contribution by Government N '000</b>	<b>Foreign currency translation reserve N '000</b>	<b>Fair value reserve N '000</b>	<b>Retained earnings N '000</b>	<b>Non-controlling interest N '000</b>	<b>Total equity N '000</b>
Balance at 1 January 2019	280,662,500	4,382,101	1,786,620	256,550,342	5,823	543,387,386
Profit/(loss) for the period	-	-	-	24,809,208	(345)	24,808,863
Currency translation differences	-	194,391	-	-	1,041	195,432
Net change in fair value of financial assets FVOCI	-	-	(574,953)	-	(974)	(575,927)
Share of other comprehensive income of associates and joint venture	-	-	169,134	-	-	169,134
Total other comprehensive income/ (loss) for the period	-	194,391	(405,819)	-	67	(211,361)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>194,391</b>	<b>(405,819)</b>	<b>24,809,208</b>	<b>(278)</b>	<b>24,597,502</b>
<b>Balance at 30 September 2019</b>	<b>280,662,500</b>	<b>4,576,492</b>	<b>1,380,801</b>	<b>281,359,550</b>	<b>5,545</b>	<b>567,984,888</b>

The accompanying notes on pages 11 to 71 form an integral part of these consolidated and separate financial statements.

**Nigeria Sovereign Investment Authority**  
**Unaudited consolidated and separate interim financial statements**  
**Statement of changes in equity**  
**For the 9 months period ended 30 September 2019**

<b>Authority</b>	<b>Contribution by Government N '000</b>	<b>Fair value reserve N '000</b>	<b>Retained earnings N '000</b>	<b>Total equity N '000</b>
Balance at 1 January 2018	280,662,500	43,497,310	170,859,498	495,019,308
Changes on initial application of IFRS 9	-	-	(249,094)	(249,094)
	<b>280,662,500</b>	<b>43,497,310</b>	<b>170,610,404</b>	<b>494,770,214</b>
Profit for the period	-	-	29,666,865	29,666,865
Net change in fair value of financial assets at FVOCI	-	719,443	-	719,443
Reclassification from fair value reserves as a result of adoption of IFRS 9	-	(41,043,623)	41,043,623	-
Total other comprehensive income for the period	-	(40,324,180)	41,043,623	719,443
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(40,324,180)</b>	<b>70,710,488</b>	<b>30,386,308</b>
<b>Balance at 30 September 2018</b>	<b>280,662,500</b>	<b>3,173,130</b>	<b>241,320,892</b>	<b>525,156,522</b>

<b>Authority</b>	<b>Contribution by Government N '000</b>	<b>Fair value reserve N '000</b>	<b>Retained earnings N '000</b>	<b>Total equity N '000</b>
Balance at 1 January 2019	280,662,500	2,245,070	253,690,496	536,598,066
Profit for the period	-	-	27,387,313	27,387,313
Net change in fair value of financial assets at FVOCI	-	1,852,593	-	1,852,593
Total other comprehensive income for the period	-	1,852,593	-	1,852,593
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,852,593</b>	<b>27,387,313</b>	<b>29,239,906</b>
<b>Balance at 30 September 2019</b>	<b>280,662,500</b>	<b>4,097,663</b>	<b>281,077,809</b>	<b>565,837,972</b>

The accompanying notes on pages 11 to 71 form an integral part of these consolidated and separate financial statements.

**Nigeria Sovereign Investment Authority**  
**Unaudited consolidated and separate interim financial statements**  
**Statement of cash flows**  
**For the 9 months period ended 30 September 2019**

		Group 30 September 2019 N '000	Group 30 September 2018 N '000	Authority 30 September 2019 N '000	Authority 30 September 2018 N '000
<b>Cash flow from operating activities</b>					
Profit/(loss) before income tax		24,882,344	28,339,569	27,387,313	29,666,865
<b>Adjustments to reconcile profit/(loss) before tax to net cash flow from operating activities:</b>					
Depreciation charge for the period	18	83,517	67,416	83,517	35,802
Amortisation of intangible assets	18	836	510	836	63
Interest income	9	(24,936,534)	(25,334,232)	(24,936,182)	(25,334,232)
Investment income	10	(1,718,364)	(3,607,466)	(763,549)	1,337,959
Interest income on financial assets at FVTPL	11	(791,332)	(345,106)	(791,332)	345,106
Net foreign exchange gains	13	(1,751,622)	-	(1,642,427)	-
Gain on disposal of a subsidiary		-	(1,606,634)	-	(1,606,634)
Unrealised gain/(loss) on financial instruments at FVTPL		(2,077,275)	(5,300,998)	(2,077,275)	(4,851,450)
Subsidy from Federal Government of Nigeria on cost differential on fertilizer sales		-	(5,874,904)	-	-
Benefit from below market rate loan		(2,025,082)	(1,432,494)	-	-
Impairment losses	14	70,677	6,867,674	(373,548)	363,749
Interest expense	19	2,936,067	1,662,638	-	-
Share of profit/(loss) from associate and joint venture	25	(740,049)	(241,890)	-	-
<b>Movements in operating assets/ liabilities:</b>					
Inventories		13,438,787	(5,253,648)	-	-
Other assets		(5,610,324)	(8,746,872)	(6,210,863)	13,314,282
Other liabilities		94,378,163	23,961,476	92,580,778	10,825,217
Cash (used in)/generated from operations		96,139,809	3,155,039	83,257,268	24,096,727
Tax paid		-	-	-	-
<b>Net cash generated from/(used) in operating activities</b>		<b>96,139,809</b>	<b>3,155,039</b>	<b>83,257,268</b>	<b>24,096,727</b>
<b>Cash flows from investing activities</b>					
Purchase of property and equipment	26	(827,275)	(2,468,718)	(184,249)	(227,264)
Purchase of other intangible assets	27	(30,085)	(1,625)	(30,085)	-
Payment for financial assets at fair value		(204,742,562)	(31,668,699)	(199,846,229)	(30,943,210)
Proceeds from sale of financial assets at fair value		179,898,906	30,709,125	179,898,906	24,384,806
Investments in financial assets held at amortised cost		(175,007,164)	(54,123,324)	(170,007,164)	(48,365,346)
Proceeds from sale of financial assets at amortised cost		150,754,556	50,918,117	150,754,556	49,918,117
Investment and interest income received		16,669,711	9,939,775	16,534,183	7,439,775
Disposal of subsidiaries		-	1,954,329	-	1,954,329
Investments in joint ventures/associates		-	(1,910,740)	-	-
<b>Net cash (used)/generated in investing activities</b>		<b>(33,283,913)</b>	<b>3,348,240</b>	<b>(22,880,082)</b>	<b>4,161,207</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		-	30,000,000	-	-
Interest expense	19	(2,936,067)	(545,000)	-	-
<b>Net cash generated from financing activities</b>		<b>(2,936,067)</b>	<b>29,455,000</b>	<b>-</b>	<b>-</b>
<b>Net cash movement for the period</b>		<b>59,919,829</b>	<b>35,958,279</b>	<b>60,377,186</b>	<b>28,257,934</b>
Cash and cash equivalents at beginning of period	20	76,154,290	22,336,959	61,777,335	8,545,297
Net exchange gains/(losses) on cash and cash equivalents		-	708,911	-	619,641
<b>Cash and cash equivalents at period end</b>		<b>136,074,119</b>	<b>59,004,149</b>	<b>122,154,521</b>	<b>37,422,872</b>
<b>Cash and cash equivalents comprise:</b>					
Cash in hand	20	704	1,372	704	467
Bank balances	20	133,417,216	35,367,094	122,018,866	16,092,713
Placements with financial institutions	20	2,656,199	23,635,683	134,951	21,329,692
<b>Total cash and cash equivalents</b>		<b>136,074,119</b>	<b>59,004,149</b>	<b>122,154,521</b>	<b>37,422,872</b>

The accompanying notes on pages 11 to 71 form an integral part of these consolidated and separate financial statements.

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**1 General Information**

Nigeria Sovereign Investment Authority ('NSIA' or 'the Authority') was established to receive, manage and invest the excess funds from the country's sale of crude oil in a diversified portfolio of medium and long-term investments. The Authority was setup by the Nigeria Sovereign Investment Authority Act, which was signed in May 2011 and was allocated an initial USD 1 billion in seed capital. The Authority commenced operations in October 2012.

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

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

Fund	Investment managers
Stabilisation Fund (SF)	UBS Global Asset Management Limited, Smith Graham & Co, Income Research + Management
Nigeria Infrastructure Fund (NIF)	In-house Management Team, Fund for Agricultural Finance in Nigeria (FAFIN)
Future Generations Fund (FGF)	Cevian Capital UK LLP, Blue Mountain, JHL Capital Group LLP, Edgbaston Investment Partners, Arbiter Offshore Limited, Somerset, Marathon Asset Management LLP, Prince Street, Xenon Private Equity, Z Capital Partners, Helios Investment Partners, Healthcare RoyaltyPartners, AQR Capital Management, Actis Capital, Africa Capital Alliance, Abraaj Group, Canyon Partners, RWC Partners Limited, Goldman Sachs Asset Management, Akina AG, Reverence Capital, Naya GP Limited, Palestra Capital, Alpstone GMF, Brasidas Asia, Holocene Advisors Offshore Fund Limited, G Squared, Fund Smith Equity Fund, Healthcare Royalty Partners.

**2 Structure and content**

The financial statements comprise:

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

**3 Basis of preparation**

**3.1 Statement of compliance**

The consolidated and separate financial statements of Nigeria Sovereign Investment Authority (NSIA) have been prepared in accordance with International Financial Reporting Standards (IFRS) on Interim financial information (IAS 34), including International Accounting Standards and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) applicable to companies reporting under IFRS. Further standards may be issued by the International Accounting Standards Board (IASB) and may be subject to the interpretations issued by the IFRIC.

**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 (FVTPL)

**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.

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**(b) Foreign currency transactions and balances**

Foreign currency transactions are translated into the 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 companies**

The results and financial position of all the Group 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 2019.

**3.5 New Standards, amendments and interpretations**

**3.5.1 Standards and interpretations effective and adopted in the current period**

**IFRS 16 Leases**

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the Group are as follows:

Company as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- the right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.

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- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of use asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

**Company as lessor:**

- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.
- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.
- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

**Sale and leaseback transactions:**

- In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.
- If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the new right-of-use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16.
- If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer-lessor recognises a financial asset equal to the transfer proceeds.

The effective date of the standard is for years beginning on or after 1 January, 2019.

The Group has adopted the standard for the first time in the 2019 financial statements.

**IFRIC Interpretation 23 Uncertainty over Income Tax Treatment**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

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The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Authority's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the consolidated financial statements of the Group.

**Amendments to IFRS 9: Prepayment Features with Negative Compensation**

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the financial statements of the Group.

**Amendments to IAS 19: Plan Amendment, Curtailment or Settlement**

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

**Amendments to IAS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated financial statements as the Group does not have long-term interests in its associate and joint venture.

**Annual Improvements to IFRS Standards 2015-2017 Cycle**

**• IAS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

These amendments have no impact on the consolidated financial statements of the Group.



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• **IAS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

• **IFRS 11 Joint Arrangements**

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

• **IFRS 3 Business Combinations**

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.

**3.5.2 Standards and interpretations 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**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance

- 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 2021, with comparative figures required. Early application is

**Amendments to IFRS 3: Definition of a Business**

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

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**Amendments to IAS 1 and IAS 8: Definition of Material**

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.

**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 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 re-measured to fair value at the acquisition date; any gains or losses arising from such re measurement 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 re-measured, and its subsequent settlement is accounted for within equity.

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

**(b) Change in ownership interest 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 noncontrolling interests are also recorded in equity.

**(c) Disposal of subsidiaries**

When the Group ceases to have control over 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.

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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 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 associate 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 entity 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 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 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 period.

**(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.

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When the Group ceases to consolidate or equity account 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 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**

The NSIA Act exempts the Authority from the provisions of all taxes, fees, imports or similar fiscal laws or regulations of the Federal Government, State Government, 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 recognizes cash and bank balances, money market placements, investment securities, other financial assets, Other liabilities and borrowings on the date 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 (FVTPL), 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.

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

**(ii) Assessment 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 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.

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**Financial liabilities**

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

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

**4.7.3 Subsequent measurement**

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

**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 other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL 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 FVTPL 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 FVTPL.

**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.

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**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**

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.

When available, the Authority 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 Authority 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 Authority, 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 Authority 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.

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**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 period. Fixed income securities are debt securities which pays 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 made.

**4.7.11 Receivables**

The fair value of short term receivables is measured at its carrying amount.

**4.7.12 Impairment of financial assets**

See credit risk disclosures 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 Group that generates cash flows, which are largely independent from other assets and Groups. Impairment losses are recognised in profit or loss. Impairment losses are 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 noncurrent 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.



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**4.9.2 Subsequent costs**

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Authority and its cost can be measured reliably. 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:

<b>Assets</b>	<b>Annual</b>
Leasehold improvements	Over the shorter of the useful life of item or lease period
Leasehold land	Over the lease period
Buildings	40 years
Furniture and fittings	5 years
Motor vehicles	4 years
Computer	3.3 years
Office equipment	4 years

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 de-recognition 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 recognized 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 capitalized as part of the software. Software is accounted for using the cost model. After initial recognition, the software is carried at cost less accumulated amortization 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 Trade 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.

**4.12 Inventory**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories includes expenditures incurred in acquiring the inventories, 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.

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

**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.

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**4.12.2 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.

**4.15 Employee**

**4.15.1 Post employment**

*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 and the employer contributions are 8% and 10% respectively each of the qualifying employee's salary. Obligations for contributions to defined contribution plans is 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 that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value at the reporting date.

**4.15.2 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.

**4.16 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 recognizes revenue from the following sources:

- Sales of NPK fertilizers
- 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 mode is adopted; this 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

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**Sale of NPK fertilizers**

For sales of NPK fertilizers, revenue is recognised when control of the goods has transferred, being when the goods have been made available for pick up at the blenders premises. Agro-dealers and state governments are the only customers under this sale.

There are no provision to deliver the fertilizers to the customers. A receivable is recognised by the Group when the goods have been made available for pick up by the agro-dealers and state government, as this represents the point in time at which the right to consideration becomes unconditional based on the contract of sale the company has with its customers, as only the passage of time is required before payment is due. No element of financing is deemed present as the sales are made with credit terms of 90 days which is consistent with market practice.

There are no return policies and warranties granted to customers under the contract. The goods are sold directly to customers, there is no form of intermediary.

The NPK fertilizers are sold on price concessions based on amounts agreed with the Federal Government of Nigeria. Revenue from these sales is recognised based on the price specified in the contract with the customers (agro dealers and state governments). Where the agreed price leads to a loss position for the company, the federal government reimburses the entity for selling below cost price.

**4.17 Below market borrowings (Government grants)**

The Group, through its subsidiary, NAIC-NPK Limited benefits from the Central Bank of Nigeria's Real Sector Support Facility(RSSF) Scheme where the Federal Government of Nigeria/Central Bank of Nigeria through some commercial banks provide finance to companies in certain industries at subsidised interest rates. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

**4.18 Capital and other commitments**

The term 'commitments' is not defined in any of the standards 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.

**4.19 Comparatives**

Comparative figures where necessary, have been reclassified to conform to changes in classifications in the current accounting period.

**4.20 Intercompany receivables**

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

**4.21 Intercompany payables**

Intercompany payables represent balances due from the Authority's 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.

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**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. 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 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 fair values of the private equity investments held by one of the Group's subsidiaries has 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 6.2.9.

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.

**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 has developed the capability to model a number of economic scenarios and capture the impact on credit losses to ensure the overall ECL represents a reasonable distribution of economic outcomes. Appropriate governance and oversight has been established around the process.

**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 has 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 6.2.9.

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

**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 30 September 2019, all financial assets were neither past due nor impaired. The credit quality of these financial assets are disclosed in the following table:

	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
<b>(i) Bank balances</b>				
<b>Counterparties with external credit ratings</b>				
F1+(Fitch)	284,017	-	282,392	-
B (Fitch)	7,858,152	-	-	-
B+ (Fitch)	121,738,331	-	121,736,474	-
F1 (Fitch)	3,536,716	-	-	-
A- (S&P)	-	16,113,902	-	1,736,947
B (S&P)	-	575	-	575
B2 (Moody)	-	27,794,206	-	27,794,206
<b>Total cash at bank balances</b>	<b>133,417,216</b>	<b>43,908,683</b>	<b>122,018,866</b>	<b>29,531,728</b>
<b>(ii) Money market placements</b>				
<b>Counter parties with external credit ratings</b>				
AA (Fitch)	134,951	-	134,951	-
B+ (Fitch)	-	32,245,474	-	32,245,474
F1+ (Fitch)	2,521,248	-	-	-
<b>Total money market placements</b>	<b>2,656,199</b>	<b>32,245,474</b>	<b>134,951</b>	<b>32,245,474</b>
<b>(iii) Other assets</b>				
<b>Counter parties with external credit ratings</b>				
A-2 (S&P)	1,012,310	5,922,236	1,012,310	1,045,784
B (S&P)	486,873	-	125,306	-
B (Fitch)	16,113,745	16,113,745	-	-
B2 (Moody)	20,377	20,377	20,377	20,377
	<b>17,633,305</b>	<b>22,056,358</b>	<b>1,157,993</b>	<b>1,066,161</b>
<b>Counter parties without external credit ratings</b>				
Other receivables	14,888,593	8,976,731	3,605,608	227,499
Account receivables	19,464,294	4,548,081	12,203	4,334,246
Intercompany receivables	-	-	37,390,340	30,346,432
Advances to staff	-	-	-	-
<b>Total other assets (Financial assets)</b>	<b>51,986,192</b>	<b>35,581,170</b>	<b>42,166,144</b>	<b>35,974,338</b>

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	<b>Group</b> <b>30 September</b> <b>2019</b> <b>N '000</b>	<b>Group</b> <b>31 December</b> <b>2018</b> <b>N '000</b>	<b>Authority</b> <b>30 September</b> <b>2019</b> <b>N '000</b>	<b>Authority</b> <b>31 December</b> <b>2018</b> <b>N '000</b>
<b>(iv) Investment securities</b>				
<b>Counter parties with external credit ratings</b>				
<i>Financial assets at amortised cost</i>				
A+ (S&P)	-	16,603,012	-	16,603,012
B (S&P)	-	30,239,146	-	30,239,146
B2 (Moody)	-	182,472,004	-	182,472,004
A1+ (Fitch)	-	3,270,312	-	3,270,312
A- (GCR)	3,395,505	3,394,422	3,395,505	3,394,422
A (Moody)	-	6,719,465	-	6,719,465
B- (Fitch)	29,461,872	-	29,461,872	-
B (Fitch)	28,930,558	28,732,784	28,930,558	28,732,784
B+ (Fitch)	217,932,242	6,217,504	217,932,242	6,217,504
CCC (Fitch)	-	4,043,465	-	4,043,465
B2 (Moody)	-	4,109,896	-	4,109,896
AA- (Fitch)	21,778,209	-	16,502,079	-
BBB+ (GCR)	29,612,224	-	29,612,224	-
	<b>331,110,610</b>	<b>285,802,010</b>	<b>325,834,480</b>	<b>285,802,010</b>
<b>Counter parties without external credit ratings</b>				
Financial assets at amortised cost	1,625,000	1,641,036	-	-
<b>Total financial assets at amortised cost (exclusive of impairment)</b>	<b>332,735,610</b>	<b>287,443,046</b>	<b>325,834,480</b>	<b>285,802,010</b>
<i>Financial assets at FVOCI</i>				
<b>Counter parties with external credit ratings</b>				
A1+ (GCR)	3,923,691	-	3,923,691	-
	3,923,691	-	3,923,691	-
<b>Counter parties without external credit ratings</b>				
Financial assets at FVOCI	1,849,000	9,474,482	523,000	7,934,647
<b>Total financial assets at FVOCI</b>	<b>5,772,691</b>	<b>9,474,482</b>	<b>4,446,691</b>	<b>7,934,647</b>
<i>Financial assets at FVTPL</i>				
<b>Counter parties with external credit ratings</b>				
AAA (Moody)	57,859,092	33,327,803	57,859,092	33,327,803
B (Fitch)	193,624,698	-	193,624,698	-
Baa3 (Moody)	-	1,626,000	-	1,626,000
<b>Counter parties without external credit ratings</b>				
Financial Assets at FV through profit and loss	129,562,059	130,141,210	110,088,288	113,515,375
<b>Total financial assets at FVTPL</b>	<b>381,045,849</b>	<b>165,095,013</b>	<b>361,572,078</b>	<b>148,469,178</b>

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**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 30 September 2019 and 31 December 2018. For this table, the Group has allocated exposures to regions based

**30 September 2019**

*In thousands of Nigerian Naira*

	Group			
	Nigeria	Middle East	America	Total
<b>Cash and cash equivalents</b>				
Money market placements	2,656,199	-	-	2,656,199
Bank balances	121,739,956	-	11,677,260	133,417,216
<b>Other assets</b>				
Other receivables	15,375,466	-	-	15,375,466
Account receivables	20,496,981	-	-	20,496,981
Cost incurred on behalf of related party	16,113,745	-	-	16,113,745
<b>Investment securities</b>				
<i>At amortised cost</i>				-
Eurobonds	-	-	-	-
Nigerian treasury bills	3,951,334	-	-	3,951,334
Open market operations bills (OMO bills)	-	-	-	-
Fixed deposits	115,730,089	8,133,334	8,377,079	132,240,502
Loans and receivables	1,625,000	-	-	1,625,000
<i>At FVTPL</i>	-	-		
US treasury notes	-	-	27,761,935	27,761,935
Fixed income products	-	-	30,097,157	30,097,157
	-	-	-	-
	<b>297,688,770</b>	<b>8,133,334</b>	<b>77,913,431</b>	<b>383,735,535</b>

**31 December 2018**

*In thousands of Nigerian Naira*

<i>In thousands of Nigerian Naira</i>	<b>Group</b>			
	<b>Nigeria</b>	<b>Middle East</b>	<b>America</b>	<b>Total</b>
<b>Cash and cash equivalents</b>				
Money market placements	32,245,474	-	-	32,245,474
Bank balances	29,531,728	-	14,376,955	43,908,683
<b>Other assets</b>				
Other receivables	11,134,143	-	-	11,134,143
Account receivables	8,333,282	-	-	8,333,282
Cost incurred on behalf of related party	16,113,745	-	-	16,113,745
<b>Investment securities</b>				
<i>At amortized cost</i>				
Eurobonds	10,260,970	-	-	10,260,970
Nigerian Treasury bill	3,984,976	-	-	3,984,976
Open market operations bills (OMO bills)	178,487,028	-	-	178,487,028
Fixed deposits	93,069,036	-	-	93,069,036
Loans and receivables	1,641,036	-	-	1,641,036
<i>At FVTPL</i>				
US treasury notes	-	-	26,841,410	26,841,410
Fixed income products	-	-	22,963,236	22,963,236
	<b>384,801,418</b>	<b>-</b>	<b>64,181,601</b>	<b>448,983,019</b>

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**30 September 2019**

*In thousands of Nigerian Naira*

	Authority			Total
	Nigeria	Middle East	America	
<b>Cash and cash equivalents</b>				
Money market placements	134,951	-	-	134,951
Bank balances	121,738,099	-	280,767	122,018,866
<b>Other assets</b>				
Other receivables	3,730,914	-	-	3,730,914
Account receivables	1,044,890	-	-	1,044,890
<b>Investment securities</b>				
<i>At amortised cost</i>				
Eurobonds	-	-	-	-
Nigerian treasury bills	3,951,334	-	-	3,951,334
Open market operations bills (OMO bills)	-	-	-	-
Fixed deposits	110,453,959	8,133,334	8,377,079	126,964,372
<i>At FVTPL</i>				
US treasury notes	-	-	27,761,935	27,761,935
Fixed income products	-	-	30,097,157	30,097,157
	<b>241,054,147</b>	<b>8,133,334</b>	<b>66,516,938</b>	<b>315,704,419</b>

**31 December 2018**

*In thousands of Nigerian Naira*

	Authority			Total
	Nigeria	Middle East	America	
<b>Cash and cash equivalents</b>				
Money market placements	32,245,474	-	-	32,245,474
Bank balances	29,531,728	-	-	29,531,728
<b>Other assets</b>				
Other receivables	2,171,076	-	-	2,171,076
<b>Investment securities</b>				
<i>At amortized cost</i>				
Eurobonds	10,260,970	-	-	10,260,970
Nigerian Treasury bill	3,984,976	-	-	3,984,976
Open market operations bills (OMO bills)	178,487,028	-	-	178,487,028
Fixed deposits	93,069,036	-	-	93,069,036
<i>At FVTPL</i>				
US treasury notes	-	-	24,805,655	24,805,655
Fixed income products	-	-	22,963,236	22,963,236
	<b>349,750,288</b>	<b>-</b>	<b>47,768,891</b>	<b>397,519,179</b>



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**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 recognizes loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- other assets and receivables; and
- financial guarantee contracts issued

No impairment loss is recognized on equity investments.

The Authority measures loss allowances at an amount equal to lifetime ECL, except for the following which 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 ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Life time 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 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 Expected Credit Loss (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**

ECL 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 realizing 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.

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**Measurement of ECL (Cont'd)**

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 internally 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 sub-head.

**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 Significant Increase in Credit Risk (SICR) depends on rating at initial recognition and the extent of movement (number of notches downgrade/upgrade) as at 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>

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**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 thresholds 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 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:</li> <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 realization of collaterals or other form of support.</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:</li> <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 realization 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>	<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:</li> <li>Withdrawal of operating license from the obligor.</li> <li>Voluntary liquidation/insolvency of the obligor.</li> <li>If it becomes probable that the obligor may enter bankruptcy or other financial reorganization.</li> <li>Disappearance of an active market for the financial instrument because of financial difficulties.</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>

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Stage 1	Stage 2	Stage 3
<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> <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> <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>• 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> <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> <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> <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>• Other factors other than those listed above that suggest that the ability of the obligor to meet contractual obligations at the reporting date has change materially from the origination date.</li> </ul>	

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Stage 1	Stage 2	Stage 3
<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> <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 change 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 product 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.
- Loss Given Default (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 historical 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 products, this is based on the contractual repayments owed by the borrower over a 12month 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 product type.

- For secured products, 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 products, 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.

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**6.2.7 (Contd)**

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. Refer to the Forward-looking information incorporated in the ECL models" subhead 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 during 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 both incorporate 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 into Multi-year PD Estimation**

The Authority has financial instruments originating from different regions of the world, and as such, 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 GDP growth rate, global inflation rate and oil price). 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
- 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 Macro economic variable affecting the ECL allowance**

The real historical gross domestic product (GDP) growth rate in Nigeria, inflation and crude oil price 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.

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**6.2.9 Economic variable assumptions**

One of the most significant period-end assumptions used for the ECL estimate as at 30 September 2019 are set out below. The scenarios "best", "optimistic" and "downturn" were used for all portfolios.

		2019	2020	2021	2022	2023
a GDP growth rate(%)	Best	4%	4%	4%	4%	4%
	Optimistic	4%	4%	4%	4%	4%
	Downturn	3%	3%	3%	3%	3%
b Inflation rate (%)	Best	3%	3%	2%	2%	2%
	Optimistic	4%	3%	3%	3%	3%
	Downturn	4%	3%	3%	3%	3%
c Oil price (USD)	Best	69.40	70.00	70.00	70.00	70.00
	Optimistic	60.00	65.00	69.00	71.30	73.50
	Downturn	50.10	51.90	53.50	55.00	56.50

**Sensitivity analysis on ECL Model**

The most significant forward looking information with impact on the ECL allowance of the Group include:

- GDP 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	Net effect	ECL allowance	Net effect
	N'000	N'000	N'000	N'000
<b>GDP Growth rate</b>				
10% increase	223,352	(23,589)	177,217	(18,695)
No change	246,941	-	195,912	-
10% decrease	273,345	26,404	216,869	20,957
<b>Inflation rate</b>				
10% increase	247,950	1,009	196,728	816
No change	246,941	-	195,912	-
10% decrease	246,295	(646)	195,415	(497)
<b>Oil prices</b>				
10% increase	236,620	(10,321)	187,742	(8,170)
No change	246,941	-	195,912	-
10% decrease	258,077	11,136	204,760	8,848

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**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 de-recognised 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:

**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 that 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 period ended 30 September 2019.

The table below analyses the Group's financial assets measured at amortised cost based on stage in which the allowances taken on them are. All financial assets fair valued through other comprehensive income are equity instruments

Group	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>				
Nigerian treasury bills	3,951,334	-	-	3,951,334
Open Market Operations bills (OMO bills)	-	-	-	-
Fixed deposits	132,240,502	-	-	132,240,502
Loans and receivables	1,625,000	-	-	1,625,000
Other assets	51,986,192	-	-	51,986,192
	<b>189,803,028</b>	-	-	<b>189,803,028</b>
Loss allowance (investment securities and other assets)	(3,026,345)	-	-	(3,026,345)
<b>Carrying amount</b>	<b>186,776,683</b>	-	-	<b>186,776,683</b>
Individually impaired	3,026,345	-	-	3,026,345
Collectively impaired	-	-	-	-
	<b>3,026,345</b>	-	-	<b>3,026,345</b>
<b>Authority</b>				
	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>				
Nigerian treasury bills	3,951,334	-	-	3,951,334
Open Market Operations bills (OMO bills)	-	-	-	-
Fixed deposits	126,964,372	-	-	126,964,372
	<b>130,915,706</b>	-	-	<b>130,915,706</b>
Loss allowance	(197,307)	-	-	(197,307)
<b>Carrying amount</b>	<b>130,718,399</b>	-	-	<b>130,718,399</b>
Individually impaired	197,307	-	-	197,307
Collectively impaired	-	-	-	-
	<b>197,307</b>	-	-	<b>197,307</b>



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**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:

	<b>Group 30 September 2019 N '000</b>	<b>Group 31 December 2018 N '000</b>	<b>Authority 30 September 2019 N '000</b>	<b>Authority 31 December 2018 N '000</b>
Cash in hand	704	133	704	133
Bank balances	133,417,216	43,908,683	122,018,866	29,531,728
Placements with financial institutions	2,656,199	32,245,474	134,951	32,245,474
<b>Total cash and cash equivalents</b>	<b>136,074,119</b>	<b>76,154,290</b>	<b>122,154,521</b>	<b>61,777,335</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.

**Group**

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*In thousands of Naira*

	<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	1,869,484	-	-	-	1,869,484
Other payables	114,174,928	-	-	-	114,174,928
Borrowings	3,997,559	7,806,696	7,549,216	14,046,129	33,399,600
<b>Total liabilities</b>	<b>120,041,971</b>	<b>7,806,696</b>	<b>7,549,216</b>	<b>14,046,129</b>	<b>149,444,012</b>
Unfunded commitments with private equity fund managers	39,823,167	-	-	-	39,823,167
<b>Total commitments</b>	<b>39,823,167</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,823,167</b>

**Group**

**31 December 2018**

*In thousands of Naira*

	<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	1,733,962	-	-	-	1,733,962
Other payables	18,756,444	-	-	-	18,756,444
Borrowings	3,125,829	4,034,513	7,872,118	21,449,259	36,481,719
<b>Total liabilities</b>	<b>23,616,235</b>	<b>4,034,513</b>	<b>7,872,118</b>	<b>21,449,259</b>	<b>56,972,125</b>
Unfunded commitments with private equity fund managers	19,069,581	-	-	-	19,069,581
<b>Total commitments</b>	<b>19,069,581</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,069,581</b>

**Authority**

**30 September 2019**

*In thousands of Naira*

	<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	1,416,735	-	-	-	1,416,735
Intercompany payables	9,090,419	-	-	-	9,090,419
Other payables	100,123,270	-	-	-	100,123,270
<b>Total liabilities</b>	<b>110,630,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,630,424</b>
NAIC-NPK loan guaranteed by NSIA	3,997,559	7,806,696	7,549,216	14,046,129	33,399,600
Unfunded commitments with private equity fund managers	26,892,392	-	-	-	26,892,392
<b>Total commitments</b>	<b>30,889,951</b>	<b>7,806,696</b>	<b>7,549,216</b>	<b>14,046,129</b>	<b>60,291,992</b>

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	Up to 6 months	Between 6 months and 1 year	Between 1 and 2 years	Greater than 2 years	Total
Trade payables	1,520,494	-	-	-	1,520,494
Intercompany payables	1,591,131	-	-	-	1,591,131
Other payables	15,456,623	-	-	-	15,456,623
<b>Total liabilities</b>	<b>18,568,248</b>	-	-	-	<b>18,568,248</b>
NAIC-NPK loan guaranteed by NSIA	3,125,829	4,034,513	7,872,118	21,449,259	36,481,719
Unfunded commitments with private equity fund managers	14,002,831	-	-	-	14,002,831
<b>Total commitments</b>	<b>17,128,660</b>	<b>4,034,513</b>	<b>7,872,118</b>	<b>21,449,259</b>	<b>50,484,550</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 is 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.

The following tables show the sensitivity of the Group's total comprehensive income to appreciation or depreciation of the naira in relation to other currencies.

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**Concentration of foreign currency exposure**

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	Naira	USD	Euro	Total
	N '000	N '000	N '000	N '000
Cash and cash equivalents	124,396,837	11,677,260	22	136,074,119
Investment securities (at amortised cost)	-	137,816,836	-	137,816,836
Investment securities (at FVTPL) - Monetary	-	57,859,092	-	57,859,092
Other assets	48,110,135	3,876,057	-	51,986,192
<b>Total monetary financial assets</b>	<b>172,506,972</b>	<b>211,229,245</b>	<b>22</b>	<b>383,736,239</b>
Trade payables	635,209	1,234,275	-	1,869,484
Other payables	114,174,928	-	-	114,174,928
Deferred income relating to government grant	6,926,397	-	-	6,926,397
Payable to Federal Government of Nigeria	18,542,324	-	-	18,542,324
Borrowings	23,847,413	-	-	23,847,413
<b>Total monetary financial liabilities</b>	<b>164,126,271</b>	<b>1,234,275</b>	<b>-</b>	<b>165,360,546</b>
<b>Net financial asset FCY exposure</b>	<b>-</b>	<b>209,994,970</b>	<b>22</b>	<b>209,994,992</b>
Sensitivity at 5% appreciation	-	(10,499,749)	(1)	(10,499,750)
Sensitivity at 5% depreciation	-	10,499,749	1	10,499,750

**Group**

31 December 2018

	Naira	USD	Euro	Total
	N '000	N '000	N '000	N '000
Cash and cash equivalents	27,760,064	48,205,869	188,357	76,154,290
Investment securities (at amortised cost)	-	287,443,046	-	287,443,046
Investment securities (at FVTPL) - Monetary	-	49,804,646	-	49,804,646
Other assets	456,363	35,124,807	-	35,581,170
<b>Total monetary financial assets</b>	<b>28,216,427</b>	<b>420,578,368</b>	<b>188,357</b>	<b>448,983,152</b>
Trade payables	273,388	1,460,574	-	1,733,962
Other payables	3,708,804	15,047,640	-	18,756,444
Deferred income relating to government grant	8,951,162	-	-	8,951,162
Payable to Federal Government of Nigeria	18,294,839	-	-	18,294,839
Borrowings	26,052,673	-	-	26,052,673
<b>Total monetary financial liabilities</b>	<b>57,280,866</b>	<b>16,508,214</b>	<b>-</b>	<b>73,789,080</b>
<b>Net financial asset FCY exposure</b>	<b>-</b>	<b>404,070,154</b>	<b>188,357</b>	<b>404,258,511</b>
Sensitivity at 5% appreciation	-	(20,203,508)	(9,418)	(20,212,926)
Sensitivity at 5% depreciation	-	20,203,508	9,418	20,212,926

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	Naira	USD	Euro	Total
	N '000	N '000	N '000	N '000
Cash and cash equivalents	121,873,732	280,767	22	122,154,521
Investment securities (at amortised cost)	-	114,405,293	-	130,915,706
Investment securities (at FVTPL) - Monetary	-	57,859,092	-	57,859,092
Other assets	29,339,974	12,826,170	-	42,166,144
<b>Total monetary financial assets</b>	<b>151,213,706</b>	<b>185,371,322</b>	<b>22</b>	<b>353,095,463</b>
Trade payables	395,928	1,020,807	-	1,416,735
Intercompany payables	9,015,967	74,452	-	9,090,419
Other payables	100,123,270	-	-	100,123,270
<b>Total monetary financial liabilities</b>	<b>109,535,165</b>	<b>1,095,259</b>	<b>-</b>	<b>110,630,424</b>
<b>Net financial asset FCY exposure</b>	<b>-</b>	<b>184,276,063</b>	<b>22</b>	<b>184,276,085</b>
Sensitivity at 5% appreciation	-	(9,213,803)	(1)	(9,213,804)
Sensitivity at 5% depreciation	-	9,213,803	1	9,213,804

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**Concentration of foreign currency exposure**

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	Naira	USD	Euro	Total
	N '000	N '000	N '000	N '000
Cash and cash equivalents	27,760,064	33,828,914	188,357	61,777,335
Investment securities (at amortised cost)	-	285,232,084	-	285,232,084
Investment securities (at FVTPL) - Monetary	-	49,804,646	-	49,804,646
Other assets	25,053,608	7,463,900	-	32,517,508
<b>Total monetary financial assets</b>	<b>52,813,672</b>	<b>376,329,544</b>	<b>188,357</b>	<b>429,331,573</b>
Trade payables	1,520,494	-	-	1,520,494
Intercompany payables	1,591,131	-	-	1,591,131
Other payables	15,456,623	-	-	15,456,623
<b>Total monetary financial liabilities</b>	<b>18,568,248</b>	<b>-</b>	<b>-</b>	<b>18,568,248</b>
<b>Net financial asset FCY exposure</b>	<b>-</b>	<b>376,329,544</b>	<b>188,357</b>	<b>376,517,901</b>
Sensitivity at 5% appreciation	-	(18,816,477)	(9,418)	(18,825,895)
Sensitivity at 5% depreciation	-	18,816,477	9,418	18,825,895

**6.4.4 Interest rate risk**

Interest rate risk is the risk of loss to net interest income (NII) arising from changes in market interest rates on rate sensitive assets and liabilities.

**Net interest income sensitivity**

There are two types of scenarios that give rise to interest rate risk. These are where the Group holds variable rate instruments susceptible to cash flow interest rate risk due to a change in market interest rates or the Group holds debts instruments measured at fair value which will be exposed to fair value interest rate risk. The Group holds debts instruments measured at fair value which are exposed to fair value interest rate risk. The table below shows the impact of interest rate changes (increase/decrease) on the Group's fixed interest financial assets carried at fair value and the effect on other comprehensive income.

	Group 30 September 2019 N '000	Authority 30 September 2019 N '000
FVTPL investments (US treasury notes)	27,761,935	27,761,935
FVTPL investments (Fixed income products)	30,097,157	30,097,157
	<b>57,859,092</b>	<b>57,859,092</b>
(All amounts are in thousands of Naira)		
<b>Group</b>		
30 September 2019		
(All amounts are in thousands of Naira)		
<b>Authority</b>		
30 September 2019		

Impact on	Impact of 5% strengthening	Impact of 5% weakening
Other comprehensive income	2,892,955	(2,892,955)

Impact on	Sensitivity to 5% strengthening	Sensitivity to 5% weakening
Other comprehensive income	2,892,955	(2,892,955)

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**6.4.5 Equities securities price risk**

The Group is exposed to equity securities price risk because of investments held by the Group and recognised on the consolidated statement of financial position at FVOCI. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

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:

	<b>Group</b> <b>30 September</b> <b>2019</b> <b>N '000</b>	<b>Group</b> <b>31 December</b> <b>2018</b> <b>N '000</b>	<b>Authority</b> <b>30 September</b> <b>2019</b> <b>N '000</b>	<b>Authority</b> <b>31 December</b> <b>2018</b> <b>N '000</b>
Equity instruments measured at FVOCI	288,635	9,474,482	222,335	7,934,647
	(288,635)	(9,474,482)	(222,335)	(7,934,647)

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 30 September 2019. All fair value measurements disclosed are recurring fair value measurements.

**Group**

**30 September 2019**

**Investment securities at FVOCI**

	<b>Level 1</b> <b>N '000</b>	<b>Level 2</b> <b>N '000</b>	<b>Level 3</b> <b>N '000</b>	<b>Total</b> <b>N '000</b>
NG Clearing Ltd	-	-	523,000	523,000
MTN securities and Bridge Academies Limited	3,923,691	-	1,326,000	5,249,691
	<b>3,923,691</b>	<b>-</b>	<b>1,849,000</b>	<b>5,772,691</b>

**31 December 2018**

**Investment securities at FVOCI**

	<b>Level 1</b> <b>N '000</b>	<b>Level 2</b> <b>N '000</b>	<b>Level 3</b> <b>N '000</b>	<b>Total</b> <b>N '000</b>
NG Clearing Ltd	-	-	523,000	523,000
MTN securities, Bridge Academies Limited and Chieftain Investments	4,675,587	2,736,060	1,539,835	8,951,482
	<b>4,675,587</b>	<b>2,736,060</b>	<b>2,062,835</b>	<b>9,474,482</b>

**Authority**

**30 September 2019**

**Investment securities at FVOCI**

	<b>Level 1</b> <b>N '000</b>	<b>Level 2</b> <b>N '000</b>	<b>Level 3</b> <b>N '000</b>	<b>Total</b> <b>N '000</b>
NG Clearing Ltd	-	-	523,000	523,000
MTN securities	3,923,691	-	-	3,923,691
	<b>3,923,691</b>	<b>-</b>	<b>523,000</b>	<b>4,446,691</b>

**Authority**

**31 December 2018**

**Investment securities available for sale**

	<b>Level 1</b> <b>N '000</b>	<b>Level 2</b> <b>N '000</b>	<b>Level 3</b> <b>N '000</b>	<b>Total</b> <b>N '000</b>
NG Clearing Ltd	-	-	523,000	523,000
MTN securities, Bridge Academies Limited and Chieftain Investments	4,675,587	2,736,060	-	7,411,647
	<b>4,675,587</b>	<b>2,736,060</b>	<b>523,000</b>	<b>7,934,647</b>

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**Financial assets at fair value through profit or loss**  
**Group**

**30 September 2019**

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Private equity investments	-	-	55,206,527	55,206,527
Hedge funds and long only equity investments	-	-	72,729,532	72,729,532
Nigeria Infrastructure Debt Fund	1,626,000	-	-	1,626,000
US treasury notes	-	27,761,935	-	27,761,935
Fixed income products	-	30,097,157	-	30,097,157
	<b>1,626,000</b>	<b>251,483,790</b>	<b>127,936,059</b>	<b>381,045,849</b>

**Group**

**31 December 2018**

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Currency swap	-	762,044	-	762,044
Private equity investments	-	-	43,559,000	43,559,000
Hedge funds and long only equity investments	-	-	69,343,323	69,343,323
US treasury notes	-	26,841,410	-	26,841,410
Fixed income products	-	22,963,236	-	22,963,236
	-	<b>50,566,690</b>	<b>112,902,323</b>	<b>163,469,013</b>

**Authority**

**30 September 2019**

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Private equity investments	-	-	35,732,756	35,732,756
Hedge funds and long only equity investments	-	-	72,729,532	72,729,532
Nigeria Infrastructure Debt Fund	1,626,000	-	-	1,626,000
US treasury notes	-	27,761,935	-	27,761,935
Fixed income products	-	30,097,157	-	30,097,157
	<b>1,626,000</b>	<b>251,483,790</b>	<b>108,462,288</b>	<b>361,572,078</b>

**Authority**

**31 December 2018**

	Level 1 N '000	Level 2 N '000	Level 3 N '000	Total N '000
Currency swap	-	762,044	-	762,044
Private equity investments	-	-	26,933,165	26,933,165
Hedge funds and long only equity investments	-	-	69,343,323	69,343,323
Nigeria Infrastructure Debt Fund	-	1,626,000	-	1,626,000
US treasury notes	-	26,841,410	-	26,841,410
Fixed income products	-	22,963,236	-	22,963,236
	-	<b>52,192,690</b>	<b>96,276,488</b>	<b>148,469,178</b>

**(a) Financial instruments in level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices as at 30 September 2019. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

**(b) Financial instruments in level 2**

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. They include investments in equity securities that are not traded in an active market but for which a trading platform exists on which a price can be determined for which market participants would pay in order to purchase the asset as at the reporting date i.e. at the Over-the-Counter alternative markets.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value financial instruments include quoted market prices or dealer quotes for similar instruments.

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**Fair value hierarchy (cont'd)**

*(c) Financial instruments in level 3*

Level 3 inputs are unobservable inputs that have been applied in valuing the respective asset or liability. The determination of what constitutes observable requires significant judgment by the Authority. The Authority considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. There were no transfers between levels during the period.

*Investments in hedge funds and private equity funds measured at FVOCI*

In determining the fair value of these investments, the Authority relies on the valuation as reported in the latest available financial statements and/ or capital account statements provided by the investment manager, unless the Authority is aware of reasons that such a valuation may not be the best approximation of fair value. In such cases, the Authority reserves the right to assign a fair value to such investments which differs from the one reported by the investment manager.

The following table presents the changes in level 3 instruments for the period ended 30 September 2019 for financial assets measured at fair value.

	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
<b>FVPL - Private equity</b>				
Opening balance	-	40,400,222	-	23,825,778
Additions	-	-	-	-
Disposals, repayments and distributions received	-	-	-	-
Fair value movement	-	-	-	-
IFRS 9 reclassification	-	(40,400,222)	-	(23,825,778)
Exchange gain	-	-	-	-
<b>Closing balance</b>	-	-	-	-
	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
<b>FVPL - Hedge funds</b>				
Opening balance	-	64,770,690	-	64,770,690
Additions	-	-	-	-
Disposals, repayments and write-offs	-	-	-	-
Fair value movement	-	-	-	-
IFRS 9 reclassification	-	(64,770,690)	-	(64,770,690)
Exchange gain	-	-	-	-
<b>Closing balance</b>	-	-	-	-
	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
<b>Financial assets measured at FVOCI - Bridge Academies Limited and NG Clearing</b>				
Opening balance	2,062,835	1,143,600	523,000	-
Additions	-	1,139,835	-	523,000
Fair value movement	-	(299,000)	-	-
Exchange gain	-	78,400	-	-
<b>Closing balance</b>	<b>2,062,835</b>	<b>2,062,835</b>	<b>523,000</b>	<b>523,000</b>
	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
<b>Financial assets at fair value through profit or loss - Private equity</b>				
Opening balance	43,559,000	-	26,933,165	-
Additions	11,572,958	9,003,662	8,390,590	6,068,415
Disposals, repayments and distributions received	(1,278,026)	(3,504,546)	(1,197,181)	(2,995,848)
Fair value movement	1,352,595	(4,282,440)	1,606,182	(1,600,642)
IFRS 9 reclassification	-	40,400,222	-	23,825,778
Exchange gain	-	1,942,102	-	1,635,462
<b>Closing balance</b>	<b>55,206,527</b>	<b>43,559,000</b>	<b>35,732,756</b>	<b>26,933,165</b>

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	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
<b>Financial assets at fair value through profit or loss - Hedge funds</b>				
Opening balance	69,343,323	-	69,343,323	-
Additions	11,826,724	25,953,500	11,826,724	25,953,500
Disposals, repayments and distributions received	(11,619,147)	(16,592,617)	(11,619,147)	(16,592,617)
Fair value movement	3,178,632	(9,221,262)	3,178,632	(9,221,262)
IFRS 9 reclassification	-	64,770,690	-	64,770,690
Exchange gain/(loss)	-	4,433,012	-	4,433,012
<b>Closing balance</b>	<b>72,729,532</b>	<b>69,343,323</b>	<b>72,729,532</b>	<b>69,343,323</b>

**Sensitivity analysis of fair value movements for level 3 financial assets measured at FVOCI**

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

	Group 30 September 2019 N '000	Authority 30 September 2019 N '000
<b>Financial assets at fair value through profit or loss</b>		
Fair value movement	5% changes in fair value movement	Difference
Fair value movement	Inputs	Difference
	Increase	226,561
	Decrease	(226,561)
	NAV/Fair value	239,241
		(239,241)

There were no level 3 instruments classified at fair value through profit or loss.

**7.1.1 Fair value hierarchy of financial assets and financial liabilities not measured at fair value**

**Group**

**30 September 2019**

	Carrying value	Level 1	Level 2	Level 3	Fair value
<i>In thousands of Naira</i>					
<b>Financial assets</b>					
Other receivables	15,375,466	-	-	15,375,466	15,375,466
Account receivables	20,496,981	-	-	20,496,981	20,496,981
Financial assets measured at amortised cost	137,816,836	-	3,796,276	133,865,502	137,661,778
	<b>173,689,283</b>	<b>-</b>	<b>3,796,276</b>	<b>169,737,949</b>	<b>173,534,225</b>

**Financial liabilities**

Borrowings	23,847,413	-	-	23,847,413	23,847,413
Trade payables	1,869,484	-	-	1,869,484	1,869,484
Other payables	114,174,928	-	-	114,174,928	114,174,928
Payables to Federal Government in respect of the Second Niger Bridge	18,542,324	-	-	18,542,324	18,542,324
	<b>158,434,149</b>	<b>-</b>	<b>-</b>	<b>158,434,149</b>	<b>158,434,149</b>

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	Carrying value	Level 1	Level 2	Level 3	Fair value
<i>In thousands of Naira</i>					
<b>Financial assets</b>					
Other receivables	11,134,143	-	-	11,134,143	11,134,143
Trade receivables	8,333,282	-	-	8,333,282	8,333,282
Cost incurred on behalf of related party in respect of Second Niger Bridge	16,113,745	-	-	16,113,745	16,113,745
Financial assets measured at amortised cost	286,822,091	-	18,578,065	268,251,836	286,829,901
	<b>322,403,261</b>	<b>-</b>	<b>18,578,065</b>	<b>303,833,006</b>	<b>322,411,071</b>
<b>Financial liabilities</b>					
Borrowings	26,052,673	-	-	26,052,673	26,052,673
Trade payables	1,733,962	-	-	1,733,962	1,733,962
Other payables	18,756,444	-	-	18,756,444	18,756,444
Payables to Federal Government in respect of the Second Niger Bridge	18,294,839	-	-	18,294,839	18,294,839
	<b>64,837,918</b>	<b>-</b>	<b>-</b>	<b>64,837,918</b>	<b>64,837,918</b>



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*In thousands of Naira*

**Financial assets**

	Carrying value	Level 1	Level 2	Level 3	Fair value
Other receivables	3,730,914	-	-	3,730,914	3,730,914
Account receivables	1,044,890	-	-	1,044,890	1,044,890
Intercompany receivables	37,390,340	-	-	37,390,340	37,390,340
Financial instruments at amortised cost	130,719,794	-	3,796,276	126,768,460	130,564,736
	<b>172,885,938</b>	<b>-</b>	<b>3,796,276</b>	<b>168,934,604</b>	<b>172,730,880</b>

**Financial liabilities**

Trade payables	1,416,735	-	-	1,416,735	1,416,735
Intercompany payables	9,090,419	-	-	9,090,419	9,090,419
Other payables	100,123,270	-	-	100,123,270	100,123,270
	<b>110,630,424</b>	<b>-</b>	<b>-</b>	<b>110,630,424</b>	<b>110,630,424</b>

**31 December 2018**

*In thousands of Naira*

**Financial assets**

	Carrying value	Level 1	Level 2	Level 3	Fair value
Other receivables	2,171,076	-	-	2,171,076	2,171,076
Account receivables	3,456,830	-	-	3,456,830	3,456,830
Intercompany receivables	30,346,432	-	-	30,346,432	30,346,432
Advances to staff	-	-	-	-	-
Financial instruments at amortised cost	285,232,084	-	14,139,820	274,971,114	289,110,934
	<b>321,206,422</b>	<b>-</b>	<b>14,139,820</b>	<b>310,945,452</b>	<b>325,085,272</b>

**Financial liabilities**

Trade payables	1,520,494	-	-	1,520,494	1,520,494
Intercompany payables	1,591,131	-	-	1,591,131	1,591,131
Other payables	15,456,623	-	-	15,456,623	15,456,623
	<b>18,568,248</b>	<b>-</b>	<b>-</b>	<b>18,568,248</b>	<b>18,568,248</b>

**8 Fund information**

The Authority has three Funds being the 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.

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<b>30 September 2019</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
Interest income	6,637,141	11,253,001	7,044,066	2,326	24,936,534
Investment income	457,285	775,309	485,322	448	1,718,364
Interest income on instrument measured at FVTPL	210,642	357,134	223,556	-	791,332
Gain/(loss) on financial assets	377,437	639,930	400,578	-	1,417,945
Net foreign exchange gain	466,706	791,280	495,319	(1,683)	1,751,622
<b>Total operating segment income</b>	<b>8,149,211</b>	<b>13,816,654</b>	<b>8,648,841</b>	<b>1,091</b>	<b>30,615,797</b>
Investment management fees	(47,592)	(660,439)	(14,346)	-	(722,376)
Global and local custodian fees	(14,652)	(203,346)	(4,417)	-	(222,416)
Impairment charge on financial assets	(4,656)	(64,617)	(1,404)	-	(70,677)
<b>Total operating fund profit</b>	<b>8,082,311</b>	<b>12,888,252</b>	<b>8,628,674</b>	<b>1,091</b>	<b>29,600,328</b>
Revenue from infrastructure subsidiaries investment	-	-	30,259,861	-	30,259,861
Expense from infrastructure subsidiaries investment	-	-	(31,704,837)	-	(31,704,837)
<b>Loss from infrastructure subsidiaries investment</b>	<b>-</b>	<b>-</b>	<b>(1,444,976)</b>	<b>-</b>	<b>(1,444,976)</b>
Other income	-	-	2,046,738	9,697	2,056,435
Operating and administrative expenses	(29)	(853,641)	(902,796)	(1,376,959)	(3,133,425)
Interest expense	-	-	(2,936,067)	-	(2,936,067)
Share of profit of investment in associate	-	-	740,049	-	740,049
<b>Profit/(loss) before tax</b>	<b>8,082,282</b>	<b>12,034,611</b>	<b>6,131,622</b>	<b>(1,366,171)</b>	<b>24,882,344</b>
<b>Taxation</b>	<b>-</b>	<b>(73,481)</b>	<b>-</b>	<b>-</b>	<b>(73,481)</b>
<b>Profit for the period</b>	<b>8,082,282</b>	<b>11,961,130</b>	<b>6,131,622</b>	<b>(1,366,171)</b>	<b>24,808,863</b>
<b>Profit/(loss) attributable to:</b>					
Owners of NSIA	8,082,282	11,961,475	6,131,622	(1,366,171)	24,809,208
Non-controlling interest	-	(345)	-	-	(345)
	<b>8,082,282</b>	<b>11,961,130</b>	<b>6,131,622</b>	<b>(1,366,171)</b>	<b>24,808,863</b>
<b>Reportable fund assets</b>					
Cash and cash equivalents	28,850,423	37,039,440	37,621,410	32,562,846	136,074,119
Investment securities	116,872,566	214,617,051	192,898,818	-	524,388,435
Other assets	1,138,662	16,556,592	31,734,543	369,896	49,799,693
Inventories	-	-	7,246,288	-	7,246,288
Investments accounted for using the equity method	-	-	14,557,062	-	14,557,062
Property and equipment	-	-	-	2,360,774	2,360,774
Intangible assets	-	-	-	42,142	42,142
	<b>146,861,651</b>	<b>268,213,083</b>	<b>284,058,121</b>	<b>35,335,658</b>	<b>734,468,513</b>
<b>Reportable fund liabilities</b>					
Other liabilities	26,462,889	1,935,818	98,128,743	16,108,762	142,636,212
Borrowings	-	-	23,847,413	-	23,847,413
	<b>26,462,889</b>	<b>1,935,818</b>	<b>121,976,156</b>	<b>16,108,762</b>	<b>166,483,625</b>

The Information above relates to latest available information on the activities of the funds as at 30 June 2019.

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	Stabilisation Fund	Future Generations Fund	Nigeria Infrastructure Fund	Unallocated	Total
31 December 2018	N'000	N'000	N'000	N'000	N'000
Interest income	3,823,619	11,490,431	8,494,318	9,848	23,818,216
Investment income	575,057	1,469,123	1,164,032	-	3,208,212
Interest income on instrument measured at FVPL	161,101	493,622	141,802	-	796,525
Net gain on financial assets	(669,772)	1,249,818	(334,086)	-	245,960
Net foreign exchange gain	4,938,373	5,378,109	7,679,155	56,554	18,052,191
<b>Total operating segment income</b>	<b>8,828,378</b>	<b>20,081,103</b>	<b>17,145,221</b>	<b>66,402</b>	<b>46,121,104</b>
Investment management fees	(36,212)	(850,939)	-	-	(887,151)
Local custodian fees	(15,696)	(23,907)	(6,010)	-	(45,613)
Global custodian fees	(5,032)	(54,080)	(10,739)	(19,778)	(89,629)
Impairment charge on financial assets	(64,166)	(129,262)	(750,495)	-	(943,923)
<b>Total fund investment management &amp; custodian fees</b>	<b>(121,106)</b>	<b>(1,058,188)</b>	<b>(767,244)</b>	<b>(19,778)</b>	<b>(1,966,316)</b>
<b>Total operating fund profit</b>	<b>8,707,272</b>	<b>19,022,915</b>	<b>16,377,977</b>	<b>46,624</b>	<b>44,154,788</b>
Revenue from infrastructure subsidiaries investment	-	-	27,403,230	-	27,403,230
Expense from infrastructure subsidiaries investment	-	-	(30,608,117)	-	(30,608,117)
<b>Loss from infrastructure subsidiaries investment</b>	<b>-</b>	<b>-</b>	<b>(3,204,887)</b>	<b>-</b>	<b>(3,204,887)</b>
Other income	-	1,016,780	10,379,868	8,610	11,405,258
Operating and administrative expenses	(707,034)	(1,410,122)	(836,988)	(808,081)	(3,762,225)
Finance cost	-	-	(2,617,160)	-	(2,617,160)
Share of profit of investment in associate	-	-	209,300	-	209,300
<b>Profit before tax</b>	<b>8,000,238</b>	<b>18,629,573</b>	<b>20,308,110</b>	<b>(752,847)</b>	<b>46,185,074</b>
Taxation	-	(219,461)	-	-	(219,461)
<b>Profit after tax</b>	<b>8,000,238</b>	<b>18,410,112</b>	<b>20,308,110</b>	<b>(752,847)</b>	<b>45,965,613</b>
Profit from discontinued operations	-	-	538,816	-	538,816
<b>Profit for the year</b>	<b>8,000,238</b>	<b>18,410,112</b>	<b>20,846,926</b>	<b>(752,847)</b>	<b>46,504,429</b>
<b>Profit attributable to:</b>					
Owners of NSIA	8,000,238	18,409,220	20,846,925	(752,847)	46,503,536
Non-controlling interest	-	893	-	-	893
	<b>8,000,238</b>	<b>18,410,113</b>	<b>20,846,925</b>	<b>(752,847)</b>	<b>46,504,429</b>
<b>31 December 2018</b>					
<b>Reportable fund assets</b>					
Cash and cash equivalents	17,493,387	25,260,097	20,327,973	13,072,833	76,154,290
Investment securities	92,776,689	195,350,614	173,264,283	-	461,391,586
Other assets	1,013,794	2,418,184	40,582,636	174,755	44,189,369
Inventories	-	-	20,685,075	-	20,685,075
Investments accounted for using the equity method	-	-	13,647,879	-	13,647,879
Investment in subsidiary	-	-	-	-	-
Property and equipment	-	-	1,344,066	272,950	1,617,016
Intangible assets	-	-	-	12,893	12,893
	<b>111,283,870</b>	<b>223,028,895</b>	<b>269,851,912</b>	<b>13,533,431</b>	<b>617,698,108</b>
<b>Reportable fund liabilities</b>					
Other liabilities	1,411,906	658,791	30,236,130	15,951,222	48,258,049
Borrowings	-	-	26,052,673	-	26,052,673
	<b>1,411,906</b>	<b>658,791</b>	<b>56,288,803</b>	<b>15,951,222</b>	<b>74,310,722</b>

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**9 Interest income**

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000
Interest income on Nigerian treasury bills	263,836	-	54,165	-	263,836	-	54,165	-
Interest income on fixed deposits	4,590,248	4,472,412	1,793,792	1,537,389	4,590,248	4,472,412	1,793,792	1,537,389
Interest income on open market operation bills	19,595,826	19,123,857	8,066,830	6,144,488	19,595,826	19,123,857	8,066,830	6,144,488
Interest income on Eurobonds	338,456	1,013,436	-	348,684	338,456	1,013,436	-	348,684
Interest income on bank balances	148,168	724,527	3,053	489,822	147,816	724,527	2,921	489,822
	<b>24,936,534</b>	<b>25,334,232</b>	<b>9,917,840</b>	<b>8,520,383</b>	<b>24,936,182</b>	<b>25,334,232</b>	<b>9,917,708</b>	<b>8,520,383</b>

**10 Investment income**

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000
Investment income from securities	1,718,364	3,607,466	331,082	343,803	763,549	1,337,959	107,210	31,858
	<b>1,718,364</b>	<b>3,607,466</b>	<b>331,082</b>	<b>343,803</b>	<b>763,549</b>	<b>1,337,959</b>	<b>107,210</b>	<b>31,858</b>

**11 Interest income on financial assets at FVTPL**

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000
Interest income on US treasury notes	421,566	113,393	189,348	26,677	421,566	113,393	189,348	26,677
Interest income from fixed income products	369,766	231,713	97,964	155,364	369,766	231,713	97,964	155,364
	<b>791,332</b>	<b>345,106</b>	<b>287,312</b>	<b>182,041</b>	<b>791,332</b>	<b>345,106</b>	<b>287,312</b>	<b>182,041</b>

**12 Gain/(loss) on financial assets**

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000
Net gain /(loss) on financial assets at fair value through profit or loss (Note 12.1)	1,213,408	2,751,751	(5,036,904)	15,294,597	2,000,737	2,843,955	(5,472,723)	10,288,827
Net gain on US treasury notes and fixed income products	204,537	8,870	(405,922)	-	204,537	8,870	(405,922)	-
	<b>1,417,945</b>	<b>2,760,621</b>	<b>(5,442,826)</b>	<b>15,294,597</b>	<b>2,205,274</b>	<b>2,852,825</b>	<b>(5,878,645)</b>	<b>10,288,827</b>

**12.1 Net gain /(loss) on financial assets at fair value through profit or loss (FVTPL)**

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000
Unrealised gain/(loss) on financial swap	(2,531,953)	5,300,998	(5,136,846)	10,006,372	(2,531,953)	4,851,450	(5,136,846)	9,556,824
Realised gain/(loss) on financial swap	475,834	-	(213,452)	-	475,834	-	(213,452)	-
Fair value changes on private equity, hedge funds and other securities	4,609,228	(4,099,814)	748,629	5,555,218	4,609,228	(4,099,814)	(474,519)	457,244
Net gain/(loss) on sale of equity instruments	(1,339,701)	1,550,567	(435,235)	(266,993)	(552,372)	2,092,319	352,094	274,759
	<b>1,213,408</b>	<b>2,751,751</b>	<b>(5,036,904)</b>	<b>15,294,597</b>	<b>2,000,737</b>	<b>2,843,955</b>	<b>(5,472,723)</b>	<b>10,288,827</b>

**13 Net foreign exchange gain**

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000
Net foreign exchange gain	1,751,622	2,315,545	1,898	665,630	1,642,427	2,226,275	2,105	576,793
	<b>1,751,622</b>	<b>2,315,545</b>	<b>1,898</b>	<b>665,630</b>	<b>1,642,427</b>	<b>2,226,275</b>	<b>2,105</b>	<b>576,793</b>

**14 Impairment write back/(charge) on financial assets**

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000
Investment Securities	(374,014)	364,909	56,100	261,464	(374,014)	363,749	56,984	260,304
Other assets	444,691	6,502,765	1,376,560	(475,311)	466	-	-	-
	<b>70,677</b>	<b>6,867,674</b>	<b>1,432,660</b>	<b>(213,847)</b>	<b>(373,548)</b>	<b>363,749</b>	<b>56,984</b>	<b>260,304</b>

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**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	Stage 1	Stage 2	Stage 3	Purchased credit-impaired N '000	Total N '000
	12-month ECL	Lifetime ECL	Lifetime ECL		
	N '000	N '000	N '000		
<b>Loss allowance as at 1 January 2019</b>					
- Investment securities	620,955	-	-	-	620,955
- Other assets	2,334,713	-	-	-	2,334,713
	<b>2,955,668</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,955,668</b>
<b>Movements with P&amp;L impact</b>					
<i>Changes on financial assets during the period</i>					
-Investment securities	(374,014)	-	-	-	(374,014)
- Other assets	444,691	-	-	-	444,691
<b>Total net P&amp;L charge during the period</b>	<b>70,677</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,677</b>
<b>Loss allowance as at 30 September 2019</b>					
- Investment securities	246,941	-	-	-	246,941
- Other assets	2,779,404	-	-	-	2,779,404
	<b>3,026,345</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,026,345</b>

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Authority	Stage 1	Stage 2	Stage 3	Purchased credit- impaired	Total
	12-month	Lifetime	Lifetime		
	Exposure	ECL	ECL		
	N '000	N '000	N '000	N '000	N '000
<b>Loss allowance as at 1 January 2019</b>					
- Investment securities	569,926	-	-	-	569,926
- Other assets	929	-	-	-	929
	<b>570,855</b>	-	-	-	<b>570,855</b>
<b>Movements with P&amp;L impact</b>					
Changes on financial assets during the period	-	-	-	-	-
- Investment securities	(374,014)	-	-	-	(374,014)
- Other assets	466	-	-	-	466
<b>Total net P&amp;L charge during the period</b>	<b>(373,548)</b>	-	-	-	<b>(373,548)</b>
<b>Loss allowance as at 30 September 2019</b>					
- Investment securities	195,912	-	-	-	195,912
- Other assets	1,395	-	-	-	1,395
	<b>197,307</b>	-	-	-	<b>197,307</b>

There were no transfers across the stage 1 to stage 3 and there was no write off during the period.

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**15 Revenue from infrastructure subsidiaries investments**

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000
Revenue from sale of fertilizers	30,259,861	22,504,355	13,738,976	8,502,470	-	-	-	-
Guarantee fee income	-	238,750	-	81,250	-	-	-	-
	<b>30,259,861</b>	<b>22,743,105</b>	<b>13,738,976</b>	<b>8,583,720</b>	-	-	-	-

Revenue from sale of fertilizer represents revenue from sale of finished and packaged fertilizer to Agro-dealers and State Governments.  
Guarantee fee income represents the income earned by Infrastructure Credit Guarantee Company Limited for providing guarantee for bond issued by some issuing entities. The company became a joint venture on 19 December 2018 consequently there has been no guarantee fee income recognized during the current period.

**16 Expense from infrastructure subsidiaries investments**

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000
Cost of sales of fertilizers (Note 16.1)	31,704,837	25,144,192	13,724,427	4,463,949	-	-	-	-
Guarantee fee expenses	-	58,463	-	19,560	-	-	-	-
	<b>31,704,837</b>	<b>25,202,655</b>	<b>13,724,427</b>	<b>4,483,509</b>	-	-	-	-

**16.1 Cost of sales of fertilizers**

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000
Raw materials consumed	27,807,619	13,368,503	11,983,731	2,373,364	-	-	-	-
Blending plants fees	3,895,298	3,811,579	1,739,526	676,685	-	-	-	-
Direct trucking, storage and other logistics	-	5,463,141	-	969,893	-	-	-	-
Fertilizer clearing and testing expense	1,920	2,500,969	1,170	444,007	-	-	-	-
	<b>31,704,837</b>	<b>25,144,192</b>	<b>13,724,427</b>	<b>4,463,949</b>	-	-	-	-

**17 Other income**

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000
Fiduciary income	-	1,142,598	-	3,245,191	-	1,024,130	-	3,743
Subsidy from Federal Government of Nigeria on cost differential on fertilizer sales	-	5,874,904	-	-	-	-	-	-
Benefit from below market rate loan	2,025,082	1,432,494	698,351	-	-	-	-	-
Other income	31,353	-	11,293	-	20,990	-	11,293	-
	<b>2,056,435</b>	<b>8,449,996</b>	<b>709,644</b>	<b>3,245,191</b>	<b>20,990</b>	<b>1,024,130</b>	<b>11,293</b>	<b>3,743</b>

Subsidy from the Federal Government of Nigeria on cost differentials on sales of fertilizer relates to approved disbursement by the Federal Government of Nigeria for cost differential on the sales of fertilizer by the Group subsidiary NAIC-NPK Ltd. The subsidy disclosed in 2018 was granted to the group to settle the shortfalls of the 2017 and 2018 Presidential Fertilizer Initiative (PFI). There has been no subsidy received in the current period.

Benefit from below market rate loan arose from the straight line amortisation of the fair value of the benefit over the tenor of the borrowing. See Note 29.1 for additional information.

**18 Operating and administrative expenses**

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000
Personnel expenses (Note 18.1)	1,419,601	1,739,069	522,328	640,034	1,419,601	1,480,075	522,328	463,483
Directors expenses (Non-executives)	75,000	87,500	25,000	62,500	75,000	87,500	25,000	62,500
Depreciation	83,517	67,416	2,272	31,805	83,517	35,802	2,365	16,240
Amortisation	836	510	836	183	836	63	836	-
Audit fees	53,925	54,300	17,975	17,300	30,000	32,625	9,050	10,875
Non-audit fees	15,000	15,000	5,000	5,000	15,000	15,000	5,000	5,000
Other professional fees	546,527	329,877	210,100	85,368	418,550	274,330	148,143	56,511
General and administrative expenses	683,007	437,244	88,840	32,950	194,609	297,128	57,199	107,032
Office rent and other expenses	133,080	128,293	43,828	50,053	133,080	128,293	43,828	50,053
Travel expenses	122,932	38,680	66,979	(3,845)	102,120	38,680	47,838	(3,845)
	<b>3,133,425</b>	<b>2,897,889</b>	<b>983,158</b>	<b>921,348</b>	<b>2,472,313</b>	<b>2,389,496</b>	<b>861,587</b>	<b>767,849</b>

**18.1 Personnel expenses**

Salaries and allowances	1,419,601	1,657,683	522,328	614,180	1,419,601	1,398,689	522,328	437,629
Defined contribution plan	-	81,386	-	25,854	-	81,386	-	25,854
	<b>1,419,601</b>	<b>1,739,069</b>	<b>522,328</b>	<b>640,034</b>	<b>1,419,601</b>	<b>1,480,075</b>	<b>522,328</b>	<b>463,483</b>

**19 Interest expense**

	Group				Authority			
	Nine months ended 30 September		Three months ended 30 September		Nine months ended 30 September		Three months ended 30 September	
	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000	2019 N '000	2018 N '000
Effective interest on borrowings	2,936,067	1,662,638	990,859	835,435	-	-	-	-
	<b>2,936,067</b>	<b>1,662,638</b>	<b>990,859</b>	<b>835,435</b>	-	-	-	-

Effective interest on borrowings relates to the interest expense the Group incurred in connection with the borrowing of funds. The amount borrowed was provided by the Central Bank of Nigeria to NAIC-NPK (a subsidiary of the Group) to finance the Presidential Fertilizer Initiative for which the Authority initially provided stop-gap financing. See notes 29 for details of the borrowings.

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**20 Cash and cash equivalents**

	<b>Group</b>		<b>Authority</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
Cash on hand	704	133	704	133
Bank balances	133,417,216	43,908,683	122,018,866	29,531,728
Money market placements	2,656,199	32,245,474	134,951	32,245,474
	<b>136,074,119</b>	<b>76,154,290</b>	<b>122,154,521</b>	<b>61,777,335</b>

Cash at banks earns interest at floating 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.

For the purpose of the statement of cash flows, cash and cash equivalents is as disclosed above

**21 Investment securities**

		<b>Group</b>	<b>Group</b>	<b>Authority</b>	<b>Authority</b>
		<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
Financial assets measured at amortised cost	21.1	137,569,895	286,822,091	130,719,794	285,232,084
Financial assets measured at FVOCI	21.2	5,772,691	9,474,482	4,446,691	7,934,647
Financial assets at fair value through profit or loss	21.3	381,045,849	165,095,013	361,572,078	148,469,178
		<b>524,388,435</b>	<b>461,391,586</b>	<b>496,738,563</b>	<b>441,635,909</b>

**21.1 Financial assets measured at amortised cost**

	<b>Group</b>	<b>Group</b>	<b>Authority</b>	<b>Authority</b>
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
Eurobonds	-	10,260,970	-	10,260,970
Nigerian treasury bills	3,951,334	3,984,976	3,951,334	3,984,976
Open market operations bills (OMO bills)	-	178,487,028	-	178,487,028
Fixed deposits	132,240,502	93,069,036	126,964,372	93,069,036
Loans and receivables	1,625,000	1,641,036	-	-
	137,816,836	287,443,046	130,915,706	285,802,010
Impairment /Expected Credit loss	(246,941)	(620,955)	(195,912)	(569,926)
	<b>137,569,895</b>	<b>286,822,091</b>	<b>130,719,794</b>	<b>285,232,084</b>
Maturity analysis:				
Current	137,569,895	286,822,091	130,719,794	285,232,084
	<b>137,569,895</b>	<b>286,822,091</b>	<b>130,719,794</b>	<b>285,232,084</b>



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**21.1.1 Impairment /Expected Credit loss**

	<b>Group</b> <b>30 September</b> <b>2019</b> <b>N '000</b>	<b>Group</b> <b>31 December</b> <b>2018</b> <b>N '000</b>	<b>Authority</b> <b>30 September</b> <b>2019</b> <b>N '000</b>	<b>Authority</b> <b>31 December</b> <b>2018</b> <b>N '000</b>
As at 1 January	620,955	-	569,926	-
Write back	(374,014)	-	(374,014)	-
Provision for expected credit losses	246,941	-	195,912	-
As at 31 December	<b>246,941</b>	<b>-</b>	<b>195,912</b>	<b>-</b>

**21.2 Financial assets measured at FVOCI**

	<b>Group</b> <b>30 September</b> <b>2019</b> <b>N '000</b>	<b>Group</b> <b>31 December</b> <b>2018</b> <b>N '000</b>	<b>Authority</b> <b>30 September</b> <b>2019</b> <b>N '000</b>	<b>Authority</b> <b>31 December</b> <b>2018</b> <b>N '000</b>
<b>Equity instruments</b>				
NG Clearing Ltd	523,000	523,000	523,000	523,000
MTN securities, Bridge Academies Limited, Chieftain Investments etc	5,249,691	8,951,482	3,923,691	7,411,647
	<b>5,772,691</b>	<b>9,474,482</b>	<b>4,446,691</b>	<b>7,934,647</b>
<b>Maturity analysis:</b>				
Non-current	5,772,691	9,474,482	4,446,691	7,934,647
	<b>5,772,691</b>	<b>9,474,482</b>	<b>4,446,691</b>	<b>7,934,647</b>

**21.3 Financial assets at fair value through profit or loss**

	<b>Group</b> <b>30 September</b> <b>2019</b> <b>N '000</b>	<b>Group</b> <b>31 December</b> <b>2018</b> <b>N '000</b>	<b>Authority</b> <b>30 September</b> <b>2019</b> <b>N '000</b>	<b>Authority</b> <b>31 December</b> <b>2018</b> <b>N '000</b>
Currency swap	193,624,698	762,044	193,624,698	762,044
Private equity investments	55,206,527	43,559,000	35,732,756	26,933,165
Hedge funds and long only equity investments	72,729,532	69,343,323	72,729,532	69,343,323
Nigeria Infrastructure Debt Fund	1,626,000	1,626,000	1,626,000	1,626,000
Fixed income products	30,097,157	22,963,236	30,097,157	22,963,236
US treasury notes	27,761,935	26,841,410	27,761,935	26,841,410
	<b>381,045,849</b>	<b>165,095,013</b>	<b>361,572,078</b>	<b>148,469,178</b>
<b>Maturity analysis:</b>				
Current	216,972,157	17,238,887	216,972,157	17,238,887
Non-current	164,073,692	147,856,126	144,599,921	131,230,291
	<b>381,045,849</b>	<b>165,095,013</b>	<b>361,572,078</b>	<b>148,469,178</b>

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**22 Other assets**

	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
<b>Financial assets:</b>				
Other receivables	15,375,466	11,134,143	3,730,914	2,171,076
Account receivables	20,496,981	8,333,282	1,044,890	3,456,830
Intercompany receivables	-	-	37,390,340	30,346,432
Cost incurred on behalf of the Federal Government of Nigeria	16,113,745	16,113,745	-	-
	<u>51,986,192</u>	<u>35,581,170</u>	<u>42,166,144</u>	<u>35,974,338</u>
Impairment /Expected Credit loss	(2,779,404)	(2,334,713)	(1,395)	(929)
Total financial assets	<u>49,206,788</u>	<u>33,246,457</u>	<u>42,164,749</u>	<u>35,973,409</u>
<b>Non-financial assets:</b>				
Prepayment	592,905	10,942,912	128,792	109,269
Total other assets	<u>49,799,693</u>	<u>44,189,369</u>	<u>42,293,541</u>	<u>36,082,678</u>
<b>Maturity analysis:</b>				
Non-current	<u>49,799,693</u>	<u>44,189,369</u>	<u>42,293,541</u>	<u>36,082,678</u>
	<u>49,799,693</u>	<u>44,189,369</u>	<u>42,293,541</u>	<u>36,082,678</u>

Cost incurred on behalf of the Federal Government of Nigeria relates to the cost the Group has incurred on behalf of the Federal Government of Nigeria on the Second Niger Bridge project.

**23 Inventories**

	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
Raw materials	2,826,625	8,991,275	-	-
Finished goods	4,419,663	11,693,800	-	-
	<u>7,246,288</u>	<u>20,685,075</u>	<u>-</u>	<u>-</u>
<b>Maturity analysis:</b>				
Current	<u>7,246,288</u>	<u>20,685,075</u>	<u>-</u>	<u>-</u>
	<u>7,246,288</u>	<u>20,685,075</u>	<u>-</u>	<u>-</u>

There were no inventories pledged as security for liabilities. (2018: NIL)

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**24 Investments in subsidiaries**

	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
At the beginning of the period	5,116,826	16,085,655
Disposal of subsidiary	-	(10,968,829)
At the end of the period	5,116,826	5,116,826
<b>Investment types:</b>		
Investment in equity shares	5,116,826	5,116,826
<b>Maturity analysis:</b>		
Non-current	5,116,826	5,116,826

**24.1 Information on subsidiary entities controlled by the Authority**

Name of entity	Place of business/ Country of incorporation	% of ownership interest 30 September 2019	% of ownership interest 31 December 2018	Carrying amount 30 September 2019 N '000	Carrying amount 31 December 2018 N '000
NSIA Motorways Investment Company (NMIC) (i)	Nigeria	99.99%	99.99%	1,000	1,000
KG Brussels LP (ii)	USA	99.97%	99.97%	5,108,826	5,108,826
KG Acquisition I LLC	USA	100%	100%	-	-
FGF Private Equity Co. Limited (iii)	Nigeria	99.99%	99.99%	1,000	1,000
FGF Investments Limited (iv)	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Agriculture Investment Company (v)	Nigeria	99.99%	99.99%	1,000	1,000
FGF PE Beta Limited (vi)	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Property Investment Company Limited (vii)	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Power Investment Company Limited (viii)	Nigeria	99.99%	99.99%	1,000	1,000
NSIA Healthcare Development and Investment Company Limited (ix)	Nigeria	99.99%	99.99%	1,000	1,000
				5,116,826	5,116,826

i) NSIA Motorways Investment Company 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 is a Partnership that holds a portfolio of investments in other private equity investee funds. The General Partner of the Partnership is KG Acquisition I LLC, which is owned by NSIA. NSIA is a limited partner in KG Brussels LP. The Company was incorporated in 2014.

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 in investing 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.

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**Information on subsidiary entities controlled by the Authority (Cont'd)**

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 30 September 2019	% of ownership interest 31 December 2018
FMCU Advanced Medical Diagnostics Limited (x)	Nigeria	90%	90%
AKTH Advanced Medical Diagnostics Limited (xi)	Nigeria	90%	90%
NAIC-NPK Limited (xii)	Nigeria	100%	100%

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) NAIC-NPK Limited liability company incorporated in 2016. It was established under Nigeria Agriculture Investment Company (100% ownership) to establish, run and carry on business as proprietors of fertilizer plants and to manufacture, treat, process, produce, supply and deal in fertilizers and all substances (natural or artificial) suited to improving the fertility of soil or water.

**24.2 Loss of control in Infrastructure Credit Guarantee Company Limited (Infracredit)**

In 2018, Infracredit received \$21.98 million and N991.5 million from Africa Finance Corporation (AFC), as additional investment in the company. This amount represents AFC's investment in the Company. The Company recognized this investment in share capital as at the end of 2018 financial year. The additional investment led to dilution of ownership and also loss of control in the Company by the Nigeria Sovereign Investment Authority as at 2018 reporting date. The Authority now recognizes its investment in Infracredit as a joint venture which is accounted for using equity accounting in line with IAS 28 - investments in associates and joint venture.

As stated above, there was loss of control of the Group's investment in Infracredit through sale of 50% equity interest to a new shareholder during 2018. See "investments accounted for using the equity method" in note 25 for more information.

	Authority 2018 N'000
Opening balance	9,014,500
Cash paid for purchase of shares in subsidiary	-
Deemed disposal of 50% equity interest at cost	-
Transfer from investment in subsidiary to joint venture	(9,014,500)
	-

**25 Investments accounted for using the equity method**

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

	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
Associates and joint ventures	14,557,062	13,647,879	10,614,990	10,614,990

The amounts recognised in the statement of comprehensive income are

Associates and joint ventures	909,183	269,260	-	-
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The table below shows a detailed movement of this balance:

	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
At the beginning of the period	13,647,879	2,453,380	10,614,990	1,600,490
Additions during the period	-	10,925,239	-	9,014,500
Share of profit of associate and joint venture	740,049	209,300	-	-
Share of fair value reserves of associate and joint venture	169,134	59,960	-	-
At the end of the period	14,557,062	13,647,879	10,614,990	10,614,990
Maturity analysis:				
Non-current	14,557,062	13,647,879	10,614,990	10,614,990

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**Interests in associates and joint ventures**

Set out below are the associates and joint ventures of the Group as at 30 September 2019. 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	Place of business/ Country of incorporation	% of ownership interest 30 September 2019	% of ownership interest 31 December 2018	Carrying amount 30 September 2019 N '000	Carrying amount 31 December 2018 N '000
<b>Investment in associates</b>					
Nigeria Mortgage Refinance Company (NMRC)	25.1 Nigeria	20.91%	20.91%	3,273,568	2,758,781
Family Homes Funds Limited (FHFL)	25.2 Nigeria	49%	49%	-	-
Panda Agriculture Operations and Management Ltd	25.3 Mauritius	30%	30%	-	-
Pandagric Novum Ltd	25.4 Nigeria	30%	30%	-	-
				3,273,568	2,758,781

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Authority Name of company	Place of business/ Country of incorporation	% of ownership interest 30 September 2019	% of ownership interest 31 December 2018	Carrying amount 30 September 2019 N '000	Carrying amount 31 December 2018 N '000
<b>Investment in associates</b>					
Nigeria Mortgage Refinance Company (NMRC)	25.1 Nigeria	20.91%	20.91%	1,600,000	1,600,000
Family Homes Funds Limited (FHFL)	25.2 Nigeria	49%	49%	490	490
Panda Agriculture Operations and Management Ltd	25.3 Mauritius	30%	30%	-	-
Pandagric Novum Ltd	25.4 Nigeria	25%	25%	-	-
				1,600,490	1,600,490
Name of company	Place of business/ Country of incorporation	% of ownership interest 30 September 2019	% of ownership interest 31 December 2018	Carrying amount 30 September 2019 N '000	Carrying amount 31 December 2018 N '000
<b>Investment in joint venture</b>					
Infrastructure Credit Guarantee Company Limited	25.10 Nigeria	50%	50%	9,014,500	9,014,500
				9,014,500	9,014,500
<b>Total investment in joint ventures and associates</b>					
				10,614,990	10,614,990
The Authority has indirect investments in joint ventures in the following entities:					
UFF-NAIC Agriculture Management Company (Mauritius) Limited	25.6 Mauritius	50%	0%	1,009	3,052
UFF-NAIC Agriculture Investment Company (Mauritius) Limited	25.7 Mauritius	50%	0%	1,870,802	1,907,188
LUTH Advanced Medical Services Limited (LUTH)	25.5 Nigeria	50%	50%	-	500
				1,871,811	1,910,740

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**Investment in associates**

**25.1 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.

**25.2 Family Homes Fund Limited (FHFL)**

Family Homes Fund Limited (FHFL) is an innovative private sector driven financing solution to Nigeria's housing challenges. 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 are the summarised financial information for FHFL which is accounted for using the equity method.

**25.3 Panda Agriculture Operations and Management Ltd**

A company limited by shares and incorporated in Mauritius on the 2nd of 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.

**25.4 Pandagric Novum Ltd**

A company limited by shares and incorporated in Nigeria on the 16th of 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 or let or hire or 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**

**25.5 LUTH Advanced Medical Services Limited (LUTH)**

The company is a limited liability company established to carry out business as providers of modern medical pathology laboratory services. The Company was incorporated in 2016.

**25.6 UFF-NAIC Agriculture Management Company (Mauritius) Limited**

A company incorporated in Mauritius on the 8th June 2017 with registration number 147877. This company is a special purpose vehicle (SPV) company 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.

**25.7 UFF-NAIC Agriculture Investment Company (Mauritius) Limited**

UFF-NAIC Agriculture Investment Company (Mauritius) Limited was incorporated in Mauritius on the 27th March 2017 with company number 146100. The company is a joint venture between NSIA and Old Mutual African Agricultural Fund. An initial commitment of USD25mn from NSIA and Old Mutual African Agricultural Fund has been made with a target of a total commitment size of USD200mn 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 the various parts of Nigeria.

**25.8 Panda Agricultural Properties Management Ltd**

A company limited by shares and incorporated in Mauritius on the 6th of February 2018 with company number 153425.

The company has been established to set up farms, agricultural land and fixed assets and lease such farms and assets to Panda Operations & Management.

**25.9 Panda Agricultural Properties Management Ltd**

A company limited by shares and incorporated in Nigeria on the 9th of 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 or let or hire or 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.

**25.10 Infrastructure Credit Guarantee Company Limited (Infracredit)**

Infrastructure Credit Guarantee Company Limited (Infracredit) is a Company jointly owned with African Finance Corporation (AFC). 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. On 19 December 2018 the Authority lost control due to additional investment made in Infracredit by African Finance Corporation (AFC), this investment by AFC diluted the investment in Infracredit to an "investment in joint venture".

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**Summarised financial information associates**

Set out below are the financial information of the associates and joint ventures of the Group as at 30 September 2019, which, in the opinion of the directors, are material to the Group.

	NMRC		FHFL	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
	N '000	N '000	N '000	N '000
<b>Summarised statement of comprehensive income</b>				
Interest income	7,300,155	7,079,510	36,367	155,001
Interest expense	(3,298,413)	(3,177,341)	-	-
Other income	6,941	6,741	588,625	-
Net write back of financial assets	-	6,981	-	-
Depreciation and amortisation	(135,634)	(177,083)	(1,477)	(633)
Personnel expenses	(596,300)	(819,333)	(269,386)	(102,777)
Operating expenses	(806,949)	(983,979)	(261,317)	(175,216)
<b>Profit before tax</b>	<b>2,469,800</b>	<b>1,935,496</b>	<b>92,812</b>	<b>(123,625)</b>
Income tax	(108,298)	(94,387)	-	-
<b>Profit/(loss) for the period</b>	<b>2,361,502</b>	<b>1,841,109</b>	<b>92,812</b>	<b>(123,625)</b>
Other comprehensive income	100,418	(92,105)	-	-
<b>Total comprehensive income/(loss)</b>	<b>2,461,920</b>	<b>1,749,004</b>	<b>92,812</b>	<b>(123,625)</b>

**Summarised statement of financial position**

	NMRC		FHFL	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
	N '000	N '000	N '000	N '000
<b>Cash and cash equivalents</b>	<b>7,877,506</b>	<b>6,505,444</b>	<b>10,019,401</b>	<b>12,620,971</b>
Investment securities	63,579,379	62,057,658	-	-
Inventories	-	-	10,005,349	8,789,834
Other assets	135,503	142,433	288,234	95,494
Investment properties	-	-	-	1,259,966
Property and equipment	532,471	545,727	1,369,229	2,245
Intangible assets	25,555	40,620	2,226	368
<b>Total assets</b>	<b>72,150,414</b>	<b>69,291,882</b>	<b>21,684,439</b>	<b>22,768,878</b>
<b>Other liabilities</b>	<b>1,006,836</b>	<b>662,702</b>	<b>20,124,252</b>	<b>21,201,697</b>
Tax liabilities	107,985	93,917	142,276	365,737
Borrowings	37,998,956	37,598,419	1,500,000	1,500,000
Debt securities issued	17,385,766	17,743,249	-	-
<b>Total liabilities</b>	<b>56,499,543</b>	<b>56,098,287</b>	<b>21,766,528</b>	<b>23,067,434</b>
<b>Capital and reserves</b>				
Share capital	2,125,444	2,125,444	1,000	1,000
Share premium	5,925,233	5,925,231	-	-
Retained earnings	5,150,112	3,497,055	(83,089)	(299,557)
Statutory reserves	2,312,577	1,604,080	-	-
Fair value reserves	137,505	41,785	-	-
<b>Total equity</b>	<b>15,650,871</b>	<b>13,193,595</b>	<b>(82,089)</b>	<b>(298,557)</b>
<b>Total liabilities and equity</b>	<b>72,150,414</b>	<b>69,291,882</b>	<b>21,684,439</b>	<b>22,768,878</b>

Reconciliation of the summarised financial information presented to the carrying amount of its interest in NMRC and FHFL

	NMRC		FHFL	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
	N '000	N '000	N '000	N '000
Net assets of associate/joint venture	15,650,871	13,193,595	(82,089)	(298,557)
Group share of net assets	3,272,597	2,758,781	(40,224)	(146,293)
Carrying value of associate	3,272,597	2,758,781	-	-
Difference	-	-	(40,224)	(146,293)
Share of losses not recognised	-	-	40,224	146,293



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**Summarised financial information of joint ventures**

Set out below are the financial information of the joint ventures of the Group as at 30 September 2019, which, in the opinion of the directors, are material to the Group.

	Infracredit		LUTH	
	30 September 2019 N '000	31 December 2018 N '000	30 September 2019 N '000	31 December 2018 N '000
<b>Summarised statement of comprehensive income</b>				
Interest and investment income	1,781,819	524,155	-	-
Net foreign exchange gain/loss	(88,238)	79,130	-	-
Guarantee fee income	402,382	340,000	-	-
Other income	11,140	34,226	-	350
Guarantee fee expense	(81,193)	(78,079)	-	-
Interest expense	(598,107)	-	-	-
Impairment loss on financial assets	-	(47,436)	-	-
Operating expenses	(639,012)	(682,398)	(284,304)	-
<b>Profit before tax</b>	<b>788,791</b>	<b>169,598</b>	<b>(284,304)</b>	<b>350</b>
Income tax	-	-	-	-
<b>Profit/(loss) for the period</b>	<b>788,791</b>	<b>169,598</b>	<b>(284,304)</b>	<b>350</b>
<b>Total comprehensive income</b>	<b>788,791</b>	<b>169,598</b>	<b>(284,304)</b>	<b>350</b>
	Infracredit		LUTH	
	30 September 2019 N '000	31 December 2018 N '000	30 September 2019 N '000	31 December 2018 N '000
<b>Summarised statement of financial position</b>				
Cash and cash equivalents	341,003	13,763,541	-	-
Investment securities	31,581,511	17,413,426	-	-
Other assets	3,356,455	933,958	1,000	1,000
Property and equipment	119,800	122,378	2,767,106	1,675,620
Intangible assets	1,585	2,133	-	-
<b>Total assets</b>	<b>35,400,354</b>	<b>32,235,436</b>	<b>2,768,106</b>	<b>1,676,620</b>
Other liabilities	3,572,164	1,756,389	3,057,920	1,776,165
Debt capital	13,334,875	12,813,690	-	-
<b>Total liabilities</b>	<b>16,907,039</b>	<b>14,570,079</b>	<b>3,057,920</b>	<b>1,776,165</b>
<b>Capital and reserves</b>				
Ordinary share capital	1,983,190	1,983,190	1,000	1,000
Preference shares capital	16,045,810	16,045,810	-	-
Retained earnings	464,315	(363,643)	(290,814)	(100,545)
<b>Total equity</b>	<b>18,493,315</b>	<b>17,665,357</b>	<b>(289,814)</b>	<b>(99,545)</b>
<b>Total liabilities and equity</b>	<b>35,400,354</b>	<b>32,235,436</b>	<b>2,768,106</b>	<b>1,676,620</b>
Reconciliation of the summarised financial information presented to the carrying amount of its interest in LUTH and Infracredit				
	Infracredit		LUTH	
	30 September 2019 N '000	31 December 2018 N '000	30 September 2019 N '000	31 December 2018 N '000
Net assets of associate/joint venture	18,493,315	17,665,357	(289,814)	(99,545)
Group share of net assets	9,246,658	8,832,679	(289,814)	(99,545)
Carrying value of associate	9,246,658	8,832,679	-	-
Difference	-	-	(289,814)	(99,545)
Share of losses not recognised	-	-	289,814	99,545

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**26 Property and equipment**

Group	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>						
As at 1 January 2018	116,382	182,523	193,249	21,889	16,113,745	16,627,788
Additions	37,600	207,322	37,048	295	1,343,974	1,626,239
Loss of control in subsidiary*	(38,951)	(55,000)	(54,972)	(20,113)	-	(169,036)
Transfer of asset**	-	-	-	-	(16,113,745)	(16,113,745)
As at 31 December 2018	115,031	334,845	175,325	2,071	1,343,974	1,971,246
As at 1 January 2019	115,031	334,845	175,325	2,071	1,343,974	1,971,246
Additions	22,394	161,261	594	-	643,026	827,275
As at 30 September 2019	137,425	496,106	175,919	2,071	1,987,000	2,798,521
<b>Accumulated depreciation</b>						
As at 1 January 2018	77,431	126,674	112,123	5,000	-	321,228
Loss of control in subsidiary*	(12,999)	(4,526)	(2,611)	(4,680)	-	(24,816)
Charge for the year	9,170	24,068	24,313	267	-	57,818
As at 31 December 2018	73,602	146,216	133,825	587	-	354,230
As at 1 January 2019	73,602	146,216	133,825	587	-	354,230
Charge for the period	8,127	56,771	18,433	186	-	83,517
As at 30 September 2019	81,729	202,987	152,258	773	-	437,747
Carrying amount						
As at 30 September 2019	55,696	293,119	23,661	1,298	1,987,000	2,360,774
As at 31 December 2018	41,429	188,629	41,500	1,484	1,343,974	1,617,016

Authority	Furniture and fittings N '000	Motor vehicles N '000	Computer equipment N '000	Office equipment N '000	Total N '000
<b>Cost</b>					
As at 1 January 2018	77,431	113,739	138,278	1,776	331,224
Additions	37,600	207,322	37,048	295	282,265
As at 31 December 2018	115,031	321,061	175,326	2,071	613,489
As at 1 January 2019	115,031	321,061	175,326	2,071	613,489
Additions	22,394	161,261	594	-	184,249
As at 30 September 2019	137,425	482,322	175,920	2,071	797,738
<b>Accumulated depreciation</b>					
As at 1 January 2018	70,128	106,904	104,369	1,320	282,721
Charge for the year	9,170	24,068	24,313	267	57,818
As at 31 December 2018	79,298	130,972	128,682	1,587	340,539
As at 1 January 2019	79,298	130,972	128,682	1,587	340,539
Charge for the period	8,127	56,771	18,433	186	83,517
As at 30 September 2019	87,425	187,743	147,115	1,773	424,056
Carrying amount					
As at 30 September 2019	50,000	294,579	28,805	298	373,682
As at 31 December 2018	35,733	190,089	46,644	484	272,950

\*In 2018, Infrastructure Credit Guarantee Company Limited changed from a subsidiary to an associate due to the loss of control by the Authority. Consequently, the assets and liabilities of Infracredit ceased being recognized as part of the Group's assets but now accounted for using equity method.

\*\*In 2018, the assets under construction held by NSIA Motorways Investment Company (NMIC) were reclassified to other assets. Additional disclosures for the assets are shown under other assets as "Cost incurred on behalf of the Federal Government of Nigeria in respect of the Second Niger Bridge".

\*There are no capitalized borrowing cost.

\*There were no impairment during the year.

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<b>27 Intangible assets</b>				
<b>Software - 30 September 2019</b>		<b>Group</b>		<b>Authority</b>
<b>Cost</b>		<b>N '000</b>		<b>N '000</b>
Balance at 1 January 2019		37,558		37,396
Additions		30,085		30,085
Balance at 30 September 2019		<b>67,643</b>		<b>67,481</b>
<b>Amortisation</b>				
Balance at 1 January 2019		24,665		24,503
Charge for the period		836		836
Balance at 30 September 2019		<b>25,501</b>		<b>25,339</b>
<b>Carrying amount</b>				
Balance at 30 September 2019		<b>42,142</b>		<b>42,142</b>
<b>Software - 31 December 2018</b>				
<b>Cost</b>				
Balance at 1 January 2018		25,803		24,503
Additions		12,893		12,893
Loss of control in subsidiary		(1,138)		-
Balance at 31 December 2018		<b>37,558</b>		<b>37,396</b>
<b>Amortisation</b>				
Balance at 1 January 2018		24,602		24,440
Charge for the period		63		63
Balance at 31 December 2018		<b>24,665</b>		<b>24,503</b>
<b>Carrying amount</b>				
Balance at 31 December 2018		<b>12,893</b>		<b>12,893</b>
<b>28 Other liabilities</b>				
	<b>Group</b>	<b>Group</b>	<b>Authority</b>	<b>Authority</b>
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
<b>Financial liability:</b>				
Trade payables	1,869,484	1,733,962	1,416,735	1,520,494
Intercompany payables	-	-	9,090,419	1,591,131
Other payables	114,174,928	18,756,444	100,123,270	15,456,623
Payables to the Federal Government of Nigeria in respect of the Second Niger Bridge (28.1)	18,542,324	18,294,839	-	-
Deferred income on RSSF borrowing (28.2)	6,926,397	8,951,162	-	-
<b>Non financial liability:</b>				
Accruals	1,123,079	284,034	865,869	347,267
Tax liabilities	-	237,608	-	-
	<b>142,636,212</b>	<b>48,258,049</b>	<b>111,496,293</b>	<b>18,915,515</b>
<b>Maturity analysis:</b>				
Current	137,600,656	22,723,115	111,496,293	18,915,515
Non-current	5,035,556	25,534,934	-	-
	<b>142,636,212</b>	<b>48,258,049</b>	<b>111,496,293</b>	<b>18,915,515</b>

**28.1** This represents the total amount received from the Federal Government of Nigeria in respect of the construction of the Second Niger Bridge project. The total amount of expenses incurred to date from amount has been included in other assets and shown as "cost incurred on behalf of FGN in respect of Second Niger Bridge", while the unspent portion is included in cash and bank balances.

**28.2** Deferred income on Real Sector Support Facility (RSSF) borrowing relates to the deferred income on the below market rate loan obtained from United Bank for Africa Plc and Union Bank of Nigeria Plc. The loans were secured for the Federal Government of Nigeria's Presidential Fertilizer Initiative scheme under the the Central Bank of Nigeria's Real Sector Support Facility(RSSF) scheme. The fair value of the grant was recognized initially on the grant date and subsequently amortized on a straight line basis over the tenor of the loan. There were no unfulfilled conditions relating to the grant as at the reporting date. The total grant to date is N35billion.

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**29 Borrowings**

	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
Financial liabilities at amortised cost				
Real Sector Support Facility (RSSF) (29.1)	23,847,413	26,052,673	-	-
	<b>23,847,413</b>	<b>26,052,673</b>	<b>-</b>	<b>-</b>

**29.1** The amount borrowed was provided by the Central Bank of Nigeria to NAIC-NPK (a subsidiary of the Group) to finance the Presidential Fertilizer Initiative for which the Authority initially provided stop-gap financing. A total amount of N40 billion was approved by the Central Bank of Nigeria, however, the company has drawn down N35 billion at the end of the reporting period. The tenor of the loan is 6 years and interest rate is at a below market rate of 5%. This borrowing will be repaid from the proceeds of fertilizer sale. The deferred income element of N6.9billion (2018: N8.95billion) is shown in Note 28. The income recognised during the period was N2.03billion, this is shown in Note 17.

**Maturity analysis:**

Current	4,426,249	3,219,661	-	-
Non-current	19,421,164	22,833,012	-	-
	<b>23,847,413</b>	<b>26,052,673</b>	<b>-</b>	<b>-</b>

**30 Equity and reserves**

	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
Contribution by Government	280,662,500	280,662,500	280,662,500	280,662,500
Retained earnings	281,359,550	256,550,342	281,077,809	253,690,496
Fair value reserve	1,380,801	1,786,620	4,097,663	2,245,070
Foreign currency translation reserve	4,576,492	4,382,101	-	-
Non-controlling interest	5,545	5,823	-	-
	<b>567,984,888</b>	<b>543,387,386</b>	<b>565,837,972</b>	<b>536,598,066</b>

**30.1 Contribution by Government**

	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
Opening balance	280,662,500	280,662,500	280,662,500	280,662,500
	<b>280,662,500</b>	<b>280,662,500</b>	<b>280,662,500</b>	<b>280,662,500</b>

There were no additional contributions made during the period.

**30.2 Retained earnings**

	Group 30 September 2019 N '000	Group 31 December 2018 N '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
Opening balance	256,550,342	170,402,086	253,690,496	170,859,498
Adjustment to opening balance as a result of IFRS 9 adoption	-	(2,011,745)	-	(249,094)
Reclassification from fair value and currency reserves as a result of adoption of IFRS 9	-	41,656,465	-	41,043,623
Adjusted opening balance	256,550,342	210,046,806	253,690,496	211,654,027
Profit for the period	24,809,208	46,503,536	27,387,313	42,036,469
	<b>281,359,550</b>	<b>256,550,342</b>	<b>281,077,809</b>	<b>253,690,496</b>

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**30.3 Fair value reserve**

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

	<b>Group 30 September 2019 N '000</b>	<b>Group 31 December 2018 N '000</b>	<b>Authority 30 September 2019 N '000</b>	<b>Authority 31 December 2018 N '000</b>
Opening balance	1,786,620	43,190,981	2,245,070	43,497,310
Change in value of financial assets measured at FVOCI	(574,953)	192,144	1,852,593	(208,617)
Reclassification to retained earnings as a result of adoption of IFRS 9	-	(41,656,465)	-	(41,043,623)
Share of change in value of financial assets measured at FVOCI - (Associates)	169,134	59,960	-	-
	<b>1,380,801</b>	<b>1,786,620</b>	<b>4,097,663</b>	<b>2,245,070</b>

**30.4 Foreign currency translation reserve**

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

	<b>Group 30 September 2019 N '000</b>	<b>Group 31 December 2018 N '000</b>
Opening balance	4,382,101	6,801,726
Exchange differences arising during the period	194,391	(2,419,625)
	<b>4,576,492</b>	<b>4,382,101</b>

**30.5 Non-controlling interest (NCI)**

	<b>Group 30 September 2019 N '000</b>	<b>Group 31 December 2018 N '000</b>
Opening balance	5,823	4,730
Profit/(loss) attributable to NCI	(345)	893
Fair value changes	(974)	(846)
Currency translation differences	1,041	1,046
	<b>5,545</b>	<b>5,823</b>

**31 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 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 30 September 2019 was as follows:

	<b>Group 30 September 2019 N '000</b>	<b>Group 31 December 2018 N '000</b>	<b>Authority 30 September 2019 N '000</b>	<b>Authority 31 December 2018 N '000</b>
Total liabilities	166,483,625	74,310,722	111,496,293	18,915,515
Less: cash and cash equivalents	136,074,119	76,154,290	122,154,521	61,777,335
<b>Net surplus/(deficit)</b>	<b>30,409,506</b>	<b>(1,843,568)</b>	<b>(10,658,228)</b>	<b>(42,861,820)</b>
Total equity	567,984,888	543,387,386	565,837,972	536,598,066
Adjusted equity	567,984,888	543,387,386	565,837,972	536,598,066
<b>Net surplus to adjusted equity ratio</b>	<b>5%</b>	<b>0%</b>	<b>-2%</b>	<b>-8%</b>

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**32 Related parties**

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

As disclosed in the investment in subsidiaries, associates and joint venture notes, FMCU Advanced Medical Diagnostics Ltd, AKTH Advanced Medical Diagnostics Limited are sub-subsidiaries of the Authority and are related parties in accordance with the applicable standards.

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

UFF-NAIC Agriculture Management Company (Mauritius) Limited, UFF-NAIC Agriculture Investment Company (Mauritius) Limited, Panda Agricultural Properties Management Ltd, Panda Agricultural Properties Management (Mauritius) Limited, LUTH Advanced Medical Services Ltd and Infrastructure Credit Guarantee Company Limited (INFRACREDIT) are jointly controlled with other entities and are therefore also related parties.

The following are the balances with the Federal Government of Nigeria during the period:

	Group 30 September 2019 N '000	Group 31 December 2018 N '000
Payables to the Federal Government of Nigeria in respect of the Second Niger Bridge	18,542,324	18,294,839
Cost incurred on behalf of the Federal Government of Nigeria in respect of Second Niger Bridge.	16,113,745	16,113,745

**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 definition of key management includes close members of family of key personnel and any entity over which key management exercise 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 period. The compensation paid or payable to key management for employee services is shown below:

**Directors' remuneration and expenses:**

	Group 30 September 2019 N '000	Group 30 September 2018 N '000
Executive compensation	740,872	951,906
Non-executive directors fees and other benefits	37,500	37,500
Defined contribution plan	30,245	43,242
	<b>808,617</b>	<b>1,032,648</b>

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**Balances with subsidiaries**

The Authority has the following receivables from the underlisted subsidiaries as at the reporting date:

	Type of interests	30 September 2019 N '000	31 December 2018 N '000
NSIA Motorways Investments Company	Subsidiary	604,224	604,224
KG Brussels L.P.	Subsidiary	61,820	-
NSIA Property Investment Co. Limited	Subsidiary	1,529,550	1,743,385
NSIA Power Investment Co. Limited	Subsidiary	800	800
NSIA Healthcare Development and Investment Co. Limited	Subsidiary	401,700	573,504
FGF Private Equity Co. Limited	Subsidiary	7,166,802	4,586,172
FGF P. E. Beta Limited	Subsidiary	353,221	221,542
FGF Investment Limited	Subsidiary	4,230,657	2,656,186
NSIA Agriculture Investment Company	Subsidiary	3,983,208	3,983,208
FMCU Advanced Medical Diagnostics Limited	Sub-subsidiary	788,292	561,455
AKTH Advanced Medical Diagnostics Limited	Sub-subsidiary	958,400	271,278
NAIC-NPK Limited	Sub-subsidiary	17,485,227	15,144,678
Presidential Infrastructure Development Fund	Trustee	14,824,830	30,002
		<b>52,388,731</b>	<b>30,376,434</b>

The Authority has the following payables to the underlisted subsidiaries as at the reporting date:

	Type of interests	30 September 2019 N '000	31 December 2018 N '000
NSIA Motorways Investments Company	Subsidiary	1,000	1,000
NSIA Property Investment Co. Limited Subsidiary	Subsidiary	1,000	1,000
NSIA Healthcare Development and Investment Co. Limited	Subsidiary	1,000	1,000
FGF Private Equity Co. Limited	Subsidiary	1,000	1,000
FGF P. E. Beta Limited	Subsidiary	1,000	1,000
NAIC-NPK Limited	Sub-subsidiary	8,883,623	1,489,479
FGF Investment Limited	Subsidiary	75,452	75,452
NSIA Agriculture Investment Company	Subsidiary	67,147	20,200
NSIA Power Investment Co. Limited	Subsidiary	1,000	1,000
Presidential Infrastructure Development Fund	Trustee	614,551,787	130,717,54
		<b>15,177,741</b>	<b>14,662,885</b>

The Authority has the following payables to the underlisted associates and joint ventures as at the reporting date:

	Type of interests	30 September 2019 N '000	31 December 2018 N '000
LUTH Advanced Medical Services Limited	Joint venture	-	1,775,665
Infrastructure Credit Guarantee Company Limited	Joint venture	3,316,177	245,324
		<b>3,316,177</b>	<b>2,020,989</b>

During the period 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 period in respect of bad or doubtful debts due from related parties.

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**33 Other contracts**

The investment activities of the three separate funds established by the Authority were managed by various investment managers engaged during the period.

**33.1 Stabilisation fund**

The Authority engaged the following investment managers through its global custodian JP Morgan for the management of the Stabilisation Fund. The details of the investment managers as of period 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, 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 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, securitized, government, and municipal sectors.

**33.2 Future Generations Fund**

***Hedge fund***

The hedge fund managers in which the Future Generations Fund is invested as at period end are stated below:

1. JHL Capital Group LLP
2. Blue Mountain Capital Management
3. Arbiter Offshore Ltd
4. AQR Capital Management
5. The Canyon Value Realisation Fund (Cayman) Ltd, CNPG
6. Palestra Capital
7. Brasidas Asia
8. Alpstone Global Macro Fund
9. Holocene Advisors Offshore Fund Ltd

***Long Only Equity Managers***

The long only equity managers in which the Future Generations Fund is invested as at period end are stated below:

1. Cevian Capital UK LLP
2. Edgbaston Investment Partners
3. Somerset Capital Management LLP
4. Marathon Asset Management LLP
5. Goldman Sachs Group Inc.
6. Chieftain Capital Management Inc.
7. Prince Street Institutional Ltd
8. Prince Street Opportunities Ltd
9. Prince Street Offshore
10. RWC



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**Private equity partners**

The private equity fund in which the Future Generations Fund is invested as at period end are stated below:

1. Z Capital Partners
2. Healthcare Royalty Partners
3. FGF Xenon Private Equity
4. Helios Investment Partners
5. Africa Capital Alliance
6. Actis LLP
7. Abraaj Growth Markets Health Fund L.P
8. Akina Euro Choice
9. Reverence Capital Fund
10. Verod Capital Management

**33.3 Nigeria Infrastructure Fund**

**Private equity partners**

The private equity fund and investments in which the Infrastructure Fund invested as at period end is stated below:

1. Fund for Agricultural Finance in Nigeria (FAFIN)
2. Nigeria Infrastructure Debt Fund

**34.4 Custodians**

**Engagement and Service**

The Authority engaged JP Morgan Chase & Co (global custodian) and Stanbic IBTC Bank 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.

The investment management fees paid to the investment fund managers, global and local custodians has been disclosed on the income statement.

**34 Commitments**

**Capital commitments**

The Authority's unfunded commitments with private equity fund managers are as follows:

Capital commitments - US\$:

	Authority 30 September 2019 \$ '000	Authority 31 December 2018 \$ '000	Naira equivalent Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
HealthCare Royalty Partners (HCRP)	24,576	8,018	7,987,200	2,605,850
Z Capital Partners	10,294	4,993	3,345,550	1,622,725
Capital Alliance Private Equity Fund "CAPE IV"	4,787	7,664	1,555,775	2,490,800
Fund for Agricultural Finance in Nigeria (FAFIN)	4,501	4,859	1,462,825	1,579,175
Helios Investment Partners	307	2,306	99,775	749,450
Reverence Capital Partners Opportunities Fund II, L.P.	9,483	-	3,081,975	-
CardinalStone Capital Advisers Growth Fund L.P.	4,916	-	1,597,700	-
Abraaj Growth Markets Health Fund L.P	4,300	3,567	1,397,500	1,159,275
Actis Africa Real Estate	5,479	8,511	1,780,675	2,766,075
<b>Total</b>	<b>68,643</b>	<b>39,918</b>	<b>22,308,975</b>	<b>12,973,350</b>

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**Capital commitments - Euro:**

	Authority 30 September 2019 Euro '000	Authority 31 December 2018 Euro '000	Authority 30 September 2019 N '000	Authority 31 December 2018 N '000
Xenon Private Equity	339	2,935	118,311	1,029,481
Akina Euro Choice Secondary II L.P.	12,794	-	4,465,106	-
<b>Total</b>	<b>13,133</b>	<b>2,935</b>	<b>4,583,417</b>	<b>1,029,481</b>
<b>Total Authority's capital commitments</b>			<b>26,892,392</b>	<b>14,002,831</b>

Other Group members unfunded commitments with private equity fund managers are as follows:

	30 September 2019 \$ '000	31 December 2018 \$ '000	30 September 2019 N '000	31 December 2018 N '000
RMB WestPort Real Estate Development Fund II LP	4,462	4,848	1,450,150	1,575,600
Synergy Private Equity Fund LP	294	146	95,550	47,450
Verod Capital Management	430	1,964	139,750	638,300
Falko Regional Aircraft Opportunities Fund	18,225	5,557	5,923,125	1,806,025
Whitehorse Liquidity Partners (Offshore) II LP	6,583	-	2,139,475	-
Fortress Investment Fund IV, L.P.	133	133	43,225	43,225
Fortress Investment Fund V, L.P.	38	38	12,350	12,350
Fortress Investment Fund V Coinvestment, L.P.	46	46	14,950	14,950
Fortress Investment Fund IV Coinvestment, L.P.	899	-	292,175	-
H.I.G. Bayside Opportunity Fund, L.P.	285	163	92,625	52,975
Marlin Equity, L.P.	281	287	91,325	93,275
Marlin Equity II, L.P.	600	635	195,000	206,375
OCM Opportunities Fund IVb, L.P.	5,738	-	1,864,850	-
OCM Opportunities Fund VIIb, L.P.	625	625	203,125	203,125
Cerberus Institutional Partners, L.P. Series Four	1,148	1,148	373,100	373,100
<b>Total</b>	<b>39,787</b>	<b>15,590</b>	<b>12,930,775</b>	<b>5,066,750</b>
<b>Total Group capital commitment</b>			<b>39,823,167</b>	<b>19,069,581</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\$108million/35billion and Euro 13.1million/N4.6billion (2018: US\$55.5 million/N118 billion and Euro 2.9 million/N1.02 billion). 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.

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**35 Other fiduciary activities**

The Authority performs the following fiduciary activities:

a) The Authority holds shares in Development Bank of Nigeria (DBN) in trust for the Federal Government of Nigeria (FGN). The shares are valued at N8 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 organizational 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 (2018: nil).

b) The Authority provides investment management and custody services to the Debt Management Office (DMO) which involve 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 relates mainly to these investment management transactions and other fiduciary activity fees are recognized under other income in profit or loss as the related services being provided are performed.

The sums of USD\$200 million ("the Fund") were received from the Debt Management Office ("DMO") respectively under an Investment Management Agreement ("the Agreement"). NSIA acts as a manager of the Funds. The agreement provides for the Authority to invest the Funds 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 USD\$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 30 September 2019 stood at USD123.5 million (2018:USD122.6 million). while nil income has been accrued by the Authority from the fiduciary agreement activities as of 30 September 2019.

c) A total sum of N17.801 billion have been received from the Federal Government Stabilization Account via the Office of the Accountant General of the Federation ("OAGF"). 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 Stabilization Fund of the Authority. The fair value of the Fund as at 31 December 2019 was N28.138 billion (2018: 20.814 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.

d) On the 3rd of February 2020, the Federal Government of Nigeria (FGN) and the Bailiwick of Jersey and the Government of the United States of America entered into an agreement with respect to the sharing, transfer, repatriation, disposition and management of certain forfeited assets. On April 20 2020, The United States Department of Justice initiated a transfer of the balance of the recovered assets in the sum of \$311,704,537.92 to the Federal Republic of Nigeria. The receipt of these funds was confirmed by the Central Bank of Nigeria on April 21 2020. The Nigeria Sovereign Investment Authority has been assigned as the Implementing Authority of the Agreement for the Government of Nigeria and is to receive the funds on behalf of the Federal Government of Nigeria. The funds are assigned for the implementation of 3 specific projects under the Presidential Infrastructure Development Fund in Nigeria.

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) authorized the initial transfer of \$650 million dollars to the NSIA from the Nigeria Liquefied Natural Gas (NLNG) Dividend Account, as seed funding for PIDF on May 17, 2018. A subsequent funding of N90 billion was received from the Office of the Accountant General of the Federation ("OAGF") on 30 September, 2019.

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 to 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. There was no income earned on the management of the funds during the financial year.

f) The executed Investment Management Agreement (IMA) dated 27th May 2019 between the Authority and the Government of the Federal Republic of Nigeria gives the 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 premised on the delivery of a the written notice to the Federal Government of Nigeria by the Authority". This clause has nil financial implication for the Authority and does not affect its assets nor liabilities as at 30 September 2019.

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**36 Events after the reporting period**

a) On the 8th of April 2020, the Federal Government of Nigeria announced plans to make its first withdrawal from the Stabilization fund. The funds drawn will be utilized for augmenting the Government's Federation Account and Allocation Committee (FAAC) disbursement by June 2020 for allocation to Federal, State and Local Government. The Nigeria Sovereign Investment Authority's Establishment etc. Act 2011 under Sections 47 & 48 supports withdrawal from the Stabilization Fund and stipulates the applicable process.

b) The Authority received the sum of \$250 million as additional capital contribution on the 8th of April 2020. This amount forms part of the entity's core capital from the Federation and is to be allocated to the three ring fenced funds in line with the approved sharing formula.

c) The Honorable Minister of Finance announced on April 6, 2020 that His Excellency, President Buhari has revised the prices of fertilizer in order to provide relief to farmers on account of the COVID-19 pandemic. The price of fertilizer was reduced to N4,500 from N5,000 at the factory gate, while the market price to end users is now N5,000 from N5,500.

d) The Authority received the sum of N8 billion on the 24th of April 2020 as subsidy payment on the Presidential fertilizer initiative program being undertaken by the Group's subsidiary (NAIC-NPK Limited), the sum of N3,553,734,702 being the financial loss incurred for the 2019 financial year been applied as Other income in the 2019 accounts in line with the submissions made to the Federal Ministry of Finance.

**COVID 19 additional disclosures**

Subsequent to December 2019 the World Health Organization declared the COVID-19 outbreak as a pandemic which resulted in unprecedented effects on the global and international markets with resulting impact on portfolio performance in asset classes including; Equities (Developed and Emerging), Hedge funds and Private Equities.

The Authority in line with its mandate is invested in these categories of assets predominantly within the Future Generations Fund (FGF). The pandemic has caused significant decline in market performance starting from February 2020 which worsened over the first quarter of 2020. Nevertheless, there have been some recoveries in April 2020. Whilst this crisis is expected to lead to a decline in growth projections for 2020, we are however unable to reliably estimate the actual impact on the Group's financial performance by end of 2020.

We have undertaken a series of stress tests and obtained secondary reliable information from our Investment Advisers and can generally ascertain the following:

(i) Early effect of market volatility in Covid 19 resulted in a materially negative impact on our portfolio performance with a decline in market performance across all asset classes ranging from an average of -15% in Hedge funds to -30% in equities.

(ii) Whilst the markets are expected to remain volatile over the course of the year there is anticipation of marginal recovery and return improvement in Q3 and Q4 2020 translating to lower drawdown rates (ranging from -15% to -18%) and possibly flat performance across asset classes by year end.

(iii) With the expected recovery trend, the Authority expects to preserve its invested capital in the year as it continues to take a calculated approach in asset management and capital deployment

Furthermore, to assess the full range of potential negative impact of the pandemic on global markets and our portfolio, we further stressed the above marginal recovery scenario with two additional scenarios and note that:

(a) If current levels in relation to Q1 2020 are maintained through to year end, we expect the portfolio underperformance to range between -12% for Hedge funds and -28% in equities.

(b) If further losses are sustained (we project a possibility of average 30% draw down across asset categories in a worst case covid-19 impact scenario).

We have taken proactive steps by implementing a strategic cost reduction initiative in the year to further help mitigate the impact of expected reduction in income and earnings. Additionally, cash management strategies which are already in place will cushion the effect of the downturn in the market.

The Authority continues to have certainty regarding its going concern as it relates to its capital and cashflows having received an additional contribution of \$250 million from 2019 National Executive Council (NEC) approved funding on the 8th of April 2020.

## **Other national disclosures**

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**Value added statement**

	<b>Group 30 September 2019</b>		<b>Group 31 December 2018</b>		<b>Authority 30 September 2019</b>		<b>Authority 31 December 2018</b>	
	<b>N '000</b>	<b>%</b>	<b>N '000</b>	<b>%</b>	<b>N '000</b>	<b>%</b>	<b>N '000</b>	<b>%</b>
Revenue	60,875,658		73,524,334		30,338,764		45,482,083	
Administrative expenses (Local and foreign)	(38,863,279)		(39,173,279)		(2,972,441)		(4,471,004)	
Other non-operating income (Local and foreign)	2,796,484				20,990		1,025,390	
<b>Value added</b>	<b>24,808,863</b>	<b>100%</b>	<b>34,351,055</b>	<b>100%</b>	<b>27,387,313</b>	<b>100%</b>	<b>42,036,469</b>	<b>100%</b>
<b>Applied as follows:</b>								
<b>To pay employees</b>								
Salaries and other personnel cost	1,419,601	6%	1,927,726	4%	522,328	2%	1,927,727	5%
<b>Maintenance of assets</b>								
Depreciation and amortization	84,353	0%	57,881	0%	3,108	0%	57,881	0%
<b>To pay government</b>								
Taxation	73,481	0%	219,461	0%	-	-	-	0%
<b>Retained for growth and expansion</b>								
Profit/(loss) for the period	23,231,428	94%	43,760,545	95%	26,861,877	98%	40,050,861	95%
	<b>24,808,863</b>	<b>100%</b>	<b>45,965,613</b>	<b>100%</b>	<b>27,387,313</b>	<b>100%</b>	<b>42,036,469</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.

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**Five Year Financial Summary**

<b>Group</b>					
<b>Statement of financial position</b>					
	<b>30 September 2019</b>	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
<b>Asset</b>					
Cash and cash equivalents	136,074,119	76,154,290	22,336,959	148,267,906	37,983,532
Investment securities	524,388,435	461,391,586	429,852,525	249,822,688	164,382,547
Other assets	49,799,693	44,189,369	49,134,358	4,698,044	1,472,508
Inventories	7,246,288	20,685,075	13,797,596	-	-
Investment in associate and joint ventures	14,557,062	13,647,879	2,453,380	1,957,853	2,129,600
Property and equipment	2,360,774	1,617,016	16,306,560	16,187,064	7,700,860
Intangible assets	42,142	12,893	1,201	621	5,739
<b>Total assets</b>	<b>734,468,513</b>	<b>617,698,108</b>	<b>533,882,579</b>	<b>420,934,176</b>	<b>213,674,786</b>
<b>Liabilities</b>					
Other liabilities	142,636,212	48,258,049	29,285,925	24,089,561	15,788,509
Borrowings	23,847,413	26,052,673	3,534,631	-	-
<b>Total liabilities</b>	<b>166,483,625</b>	<b>74,310,722</b>	<b>32,820,556</b>	<b>24,089,561</b>	<b>15,788,509</b>
<b>Equity and reserves</b>					
Contribution by Government	280,662,500	280,662,500	280,662,500	204,375,000	155,250,000
Retained earnings	281,359,550	256,550,342	170,402,086	147,845,348	17,466,251
Fair value reserves	1,380,801	1,786,620	43,190,981	36,661,142	23,513,074
Currency translation reserves	4,576,492	4,382,101	6,801,726	7,958,502	1,653,739
<b>Total equity and amount attributable to equity contributors (Government)</b>	<b>567,979,343</b>	<b>543,381,563</b>	<b>501,057,293</b>	<b>396,839,992</b>	<b>197,883,064</b>
Non-controlling interests	5,545	5,823	4,730	4,623	3,213
<b>Total equity</b>	<b>567,984,888</b>	<b>543,387,386</b>	<b>501,062,023</b>	<b>396,844,615</b>	<b>197,886,277</b>
<b>Total equity and liabilities</b>	<b>734,468,513</b>	<b>617,698,108</b>	<b>533,882,579</b>	<b>420,934,176</b>	<b>213,674,786</b>
<b>Group</b>					
<b>Statement of comprehensive income</b>					
	<b>30 September 2019</b>	<b>30 September 2018</b>	<b>30 September 2017</b>	<b>30 September 2016</b>	<b>30 September 2015</b>
	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
Investment and Interest income	26,654,898	28,941,698	17,482,426	61,880,387	4,593,595
Interest income on instrument measured at FVTPL	791,332	345,106	-	-	-
Net gain on financial assets	1,417,945	2,760,621	(3,309,772)	-	-
Net foreign exchange gains	1,751,622	2,315,545	12,426,036	53,419,701	-
<b>Total operating income</b>	<b>30,615,797</b>	<b>34,362,970</b>	<b>26,598,690</b>	<b>115,300,088</b>	<b>4,593,595</b>
Investment management fees	(722,376)	(700,191)	(652,715)	(345,922)	(335,260)
Global and local custodian fees	(222,416)	(127,345)	(33,057)	(70,961)	(58,514)
<b>Total investment management &amp; custodian fees</b>	<b>(944,792)</b>	<b>(827,536)</b>	<b>(685,772)</b>	<b>(416,883)</b>	<b>(393,774)</b>
Impairment charges on financial assets	(70,677)	(6,867,674)	-	-	-
<b>Total operating profit</b>	<b>29,600,328</b>	<b>26,667,760</b>	<b>25,912,918</b>	<b>114,883,205</b>	<b>4,199,821</b>
Revenue from infrastructure subsidiaries investments	30,259,861	22,743,105	29,325,120	-	-
Expense from infrastructure subsidiaries investments	(31,704,837)	(25,202,655)	(32,434,471)	-	-
Loss from infrastructure subsidiaries investments	(1,444,976)	(2,459,550)	(3,109,351)	-	-
Other income	2,056,435	8,449,996	162,484	-	8,778,954
<b>Total other income</b>	<b>2,056,435</b>	<b>8,449,996</b>	<b>162,484</b>	<b>-</b>	<b>8,778,954</b>
Operating and administrative expenses	(3,133,425)	(2,897,889)	(2,608,921)	(1,427,768)	(2,020,429)
<b>Total operating and administrative expenses</b>	<b>(3,133,425)</b>	<b>(2,897,889)</b>	<b>(2,608,921)</b>	<b>(1,427,768)</b>	<b>(2,020,429)</b>
Interest expense	(2,936,067)	(1,662,638)	-	-	-
Share of profit of investments in associates	740,049	241,890	295,563	330,344	(18,281)
<b>Profit/(loss) before tax</b>	<b>24,882,344</b>	<b>28,339,569</b>	<b>20,652,693</b>	<b>113,785,781</b>	<b>10,940,065</b>
Taxation	(73,481)	(168,208)	-	(213)	(36,050)
<b>Profit for the period</b>	<b>24,808,863</b>	<b>28,171,361</b>	<b>20,652,693</b>	<b>113,785,568</b>	<b>10,904,015</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	(574,953)	463,016	3,090,693	27,530,257	13,323,878
Currency translation differences	194,391	(3,456,722)	68,935	5,359,540	1,548,998
Share of other comprehensive income of investments in associate	169,134	(6,103)	(27,371)	303,670	-
<b>Other comprehensive income for the period</b>	<b>(211,428)</b>	<b>(2,999,809)</b>	<b>3,132,257</b>	<b>33,193,467</b>	<b>14,872,876</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>24,597,435</b>	<b>25,171,552</b>	<b>23,784,950</b>	<b>146,979,035</b>	<b>25,776,891</b>