

Nigeria Sovereign Investment Authority

2025 Final Entity Rating Report



Nigeria Sovereign Investment Authority

Long Term Rating:

Aaa (NGA)

Short Term Rating:

A1+ (NGA)

ESG Score:

2

Outlook: Stable

Issue Date: 8 December 2025

Expiry Date: 30 June 2026

Previous Rating: Aaa (NGA)

Industry: Government-Backed Institution

Analysts:

Tomiwa Adeniyi

tomiwaadeniyi@agusto.com

Adzahemen Vajime, CFA

adzahemenvajime@agusto.com

Ayokunle Olubunmi, CFA

kunleolubunmi@agusto.com

Agusto & Co. Limited

UBA House (5th Floor)

57, Marina

Lagos

Nigeria

www.agusto.com

A Government-backed institution with the best financial condition and strongest capacity to meet obligations as and when they fall due relative to all other Government-backed institutions in the same country.

RATING RATIONALE

Agusto & Co. affirms the **Aaa** (NGA) (long term) and **A1+** (NGA) (short term) ratings assigned to Nigeria Sovereign Investment Authority ('NSIA' or 'the Authority'). The ratings reflect NSIA's strategic importance in providing stability for Nigeria during periods of financial stress, enhancing the development of Nigeria's infrastructure and building a savings base for future generations. The Authority's strong capitalisation, supported by steady inflows from the implementation of the Petroleum Industry Act (PIA) 2021, good project implementation capabilities, and a well-diversified investment portfolio are considered rating positives. However, NSIA's exposure to the vagaries of the Nigerian economy and the ongoing geopolitical tension constrain the rating. We have also assigned a '2' ESG score, denoting that environmental, social and governance (ESG) issues have minimal contribution to the credit risk profile of the Authority.

NSIA has continued to demonstrate steady growth over the years, with total assets and commitments amounting to ₦4.4 trillion (US\$2.9 billion @ 1,535.32/US\$) as at 31 December 2024. The asset base expanded by 92.9% (13% in US\$ terms) in naira terms, supported by additional capital contribution, although the steep naira depreciation had a bloating impact. The PIA 2021 introduced a price-based royalty mechanism, which ensures that additional fiscal revenues when the crude oil price exceeds US\$50 per barrel are channelled to the Authority as capital contributions. In the financial year ended 31 December 2024, an additional ₦247 billion (US\$175.4 million) capital contribution was received, which drove the 96.8% increase in shareholders' funds to ₦4.3 trillion as at FYE 2024. The full retention of profit generated during the year under review also supported the enlarged capital base. Thus, the equity cushion rose to 96.9% (2023: 95.5%), underscoring the strong capitalisation. We believe the price-based royalties' provisions of the PIA 2021 would continue to serve as a steady source of capital for the Authority in the near term. Subsequent to the year-end, in the first six months of 2025, NSIA received an additional ₦207.1 billion (US\$138.8 million) which further strengthening capitalisation.

The Authority's total investments are managed under three distinct ring-fenced funds, the Stabilisation Fund (SF), the Future Generations Fund (FGF), and the Nigeria Infrastructure Fund (NIF). The management of the funds is centred around NSIA's core mandate of building a savings base for

future generations of Nigerians, driving domestic infrastructure development, and providing fiscal stabilisation during periods of economic stress. Hence, these objectives inform the risk appetite and asset allocation of each of the funds. As at 31 December 2024, the Authority's investment portfolio stood at ₦4 trillion (2023: ₦1.9 trillion). The investments were largely held in placements with financial institutions, hedge funds and long-only equities and currency swaps with the Central Bank of Nigeria (CBN), which accounted for 61.6% (2023: 57.8%) of the outstanding balance. Placements with financial institutions primarily serve the SF mandate, which emphasises liquidity preservation, capital safety and steady income generation. During FY 2024, the portfolio benefited from the elevated global and domestic interest rate environment, which supported higher yields across short-dated instruments. NSIA's placement counterparties are prequalified investment-grade banks on the national scale, thereby limiting credit risk exposure. The hedge fund and long-only equities align with the FGF's objective of long-term wealth accumulation and intergenerational capital preservation. The hedge fund and long-only equities provide risk-adjusted returns through diversified exposure to global markets, sectors and asset classes. NSIA maintains a well-diversified portfolio split amongst over 50 fund managers, including Goldman Sachs and JP Morgan. Currency swaps with the CBN are also prominent in the investment portfolio, accounting for 18.1% as at FYE 2024. However, we expect the CBN's waning appetite for currency swaps to moderate allocation to the instrument in the near term. Overall, we consider the Authority's asset quality good.

NSIA's operating income rose by 61% to ₦1.9 trillion in FY 2024, driven by the relatively high-interest rate environment and realised fair valuation gains on some derivative instruments. Dollar-denominated securities dominate the investment portfolio while the naira is the reporting currency. Thus, the 40.5% Naira depreciation bloated the operating income, with the associated revaluation gains accounting for 47.3% of the operating income in FY 2024. Given the raging inflationary pressures, operating expenses grew by 118.2%. Nonetheless, an uptick in operating income sustained the low cost-to-income ratio of 0.7% (2023: 0.5%). Overall, the Authority posted a 60.7% growth in pre-tax profit to ₦1.9 trillion. However, due to the enlarged asset base, the pre-tax return on average assets (ROA) declined to 56.1% (2023: 70.1%). The expanded shareholders' funds moderated the impact of the improved profitability as the pre-tax return on average equity (ROE) declined to 57.8% (2023: 73.4%). Notwithstanding, the profitability metrics are better than the selected peer. When we adjust for the foreign currency revaluation gain, which is unsustainable in our view, the ROA and ROE declined further to 33.8% (2023: 44.9%) and 35.1% (2023: 47.4%), respectively. Nonetheless, we consider the profitability good as the adjusted ROE exceeds the 33.2% annual average inflation rate recorded in 2024.

Based on the aforementioned, we hereby attach a **stable** outlook to the ratings of the Nigeria Sovereign Investment Authority.

Strengths

- Steady capital inflow based on the PIA 2021
- Good capitalisation
- Relatively diversified investment portfolio
- Strong project management capabilities
- Experienced management team

Weakness

- Vulnerability to political transitions and governance disruptions

Challenges

- Execution and completion risks on large-scale infrastructure projects
- Sustaining performance in a volatile global economy

Table 1: Background Information

	31 December 2023	31 December 2024
Total Assets & Commitments	₦2.3 trillion	₦4.4 trillion
Operating Income	₦1.2 trillion	₦1.9 trillion
Pre-tax Return on Average Assets (ROA)	70.5%	56.1%
Pre-tax Return on Average Equity (ROE)	73.8%	57.8%

PROFILE

Nigeria Sovereign Investment Authority (“**NSIA**” or “**the Authority**”) was established through an Act of the National Assembly in May 2011 to manage Nigeria’s Sovereign Wealth Fund on behalf of the three tiers of government and FCT, the shareholders. NSIA has three core mandates: actualise savings for the country, provide financial stability during periods of economic stress and support Nigeria’s infrastructural development. The Authority commenced operations with a seed capital of US\$1 billion in October 2012 but has grown assets under management (AuM) to US\$2.9 billion as at 31 December 2024, largely through earnings retention. The Petroleum Industry Act (PIA) 2021, which mandates the transfer of sales proceeds to the Authority once the crude oil price exceeds US\$50 per barrel, has also been a steady source of funding since the implementation commenced in 2023, with a total sum of US\$359.2 million received as at 30 June 2025.

NSIA operates three ring-fenced funds, each structured along the core mandates: the Stabilisation Fund (SF), Future Generations Fund (FGF), and Nigeria Infrastructure Fund (NIF). The Authority operates from The Clan Place, 4th Floor, Plot 1386A Tigris Crescent, Maitama, Abuja.

	Stabilisation Fund	Future Generations Fund	Nigeria Infrastructure Fund
Objective	Provide support to the Federation in periods of economic stress	Invest in long-term assets with a yield target of US inflation plus 4% to provide a savings base for future generations of Nigerians	Investments in projects and initiatives with the ability to bridge Nigeria’s infrastructural deficits while meeting the NSIA’s return objective.
Asset Allocation	75% in Growth Assets <ul style="list-style-type: none"> - Investment grade corporate bonds - fixed deposits, - currency swaps 25% in Hedge Assets <ul style="list-style-type: none"> - US treasury securities - Nigeria treasury securities 	<ul style="list-style-type: none"> -30% in public equity -25% in private equity -20% in hedge funds -25% in cash and commodities 	<ul style="list-style-type: none"> -Industrialisation -Technology -Agriculture -Healthcare -Power -Financial market infrastructure
AuM as at 31 December 2024	US\$396.9 million (₦ 609.4 billion)	US\$1.2 billion (₦ 1.8 trillion)	US\$1.3 billion (₦ 2 trillion)

Subsidiaries, Associates and Joint Ventures

NSIA’s activities, particularly under the infrastructure development mandate, are conducted through dedicated subsidiaries, associates, and joint venture companies. This provides the appropriate governance and oversight and facilitates partnerships and co-investment opportunities with institutions with similar interests in specific projects.

Table 2: NSIA's Investments in Subsidiaries, Associates and Joint Ventures as at 31 December 2024

Name	Country	Percentage (%) of ownership interest
Direct Active Subsidiaries		
NSIA Motorways Investment Company Limited (NMIC)	Nigeria	100%
FGF Private Equity Co. Limited	Nigeria	100%
FGF Investments Limited	Nigeria	100%
FGF PE Beta Limited	Nigeria	100%
NSIA Agriculture Investment Company	Nigeria	100%
NSIA Property Investment Company Limited	Nigeria	100%
NSIA Power Investment Company Limited	Nigeria	100%
NSIA Healthcare Development and Investment Company Limited	Nigeria	100%
NSIA Investment Management Company	Nigeria	100%
Indirect Ownership		
FMCU Advanced Medical Diagnostics Limited	Nigeria	90%
AKTH Advanced Medical Diagnostics Limited	Nigeria	90%
Lagos-Ibadan Expressway Development Company Limited	Nigeria	100%
Abuja-Kano Expressway Development Company Limited	Nigeria	100%
East-West Expressway Development Company Limited	Nigeria	100%
Second Niger Bridge Development Company Limited	Nigeria	100%
NSIA Engineering Company Limited	Nigeria	100%
Mambilla Hydropower Development Company Limited	Nigeria	100%
Agric Plus Grain Production Company Limited	Nigeria	100%
LUTH Advanced Medical Services Limited	Nigeria	100%
Equilease Systems Limited	Nigeria	100%
RIPEnergy Company Limited	Nigeria	100%
NSIA Advanced Medical Services Limited (Medserve Limited)	Nigeria	100%
NSIA Meta Management Company Limited	Nigeria	100%
Associate Companies		
Nigeria Mortgage Refinance Company (NMRC)	Nigeria	20.9%
Metrowaves Sports and Infrastructures Limited	Nigeria	40.5%
Infrastructure Credit Guarantee Company Limited	Nigeria	35.8%
Family Homes Funds Limited (FHFL)	Nigeria	49%
Joint Venture Investments		
Multipurpose Industrial Platform Limited	Nigeria	50%
UFF-NAIC Agriculture Investment Company (Mauritius) Limited	Mauritius	50%
Panda Agricultural Properties Management Limited	Nigeria	100%
Carbon Vista Limited	United States	40%
Panda Agricultural Properties Management Limited	Mauritius	60%

Fund Custodians

NSIA maintains a custodial relationship with Stanbic IBTC Nominees Limited (SINL), a wholly owned subsidiary of Stanbic IBTC Bank Plc, and Citibank Nigeria Limited for domestic investments, while JP Morgan Chase & Co. serves as the global custodian.

Ownership and Board

Nigeria Sovereign Investment Authority is jointly owned by the Federal Government of Nigeria, the 36 States, the 774 Local Government Authorities and the Federal Capital Territory. Following recommendations by the Minister of Finance, the shareholders, through the President, appoint the Board of Directors.

Table 3: Shareholders of Nigeria Sovereign Investment Authority as at 31 December 2024

Shareholders	Equity Stake
The Federal Government of Nigeria	46.4%
36 State Governments	34.9%
774 Local Government Authorities	18.2%
The Federal Capital Territory	0.5%

NSIA is currently governed by a nine-member Board of Directors, chaired by Mr Segun Ogunsanya. The Board comprised three executive directors and six non-executive directors. The Board members were fully constituted in 2024. During the same period, Mrs Olubisi Makoju, an Executive Director, exited the Board while the chairman, one executive director and five non-executive directors were appointed.

CURRENT DIRECTORS

Mr Segun Ogunsanya

Mr Aminu Umar-Sadiq

Mr Kolawole Owodunni

Mrs Ijeoma Taylaur

Prof Fabian Ajogwu

Mr Abdullahi Mahmud Gaya

Mr Ahmed Goniri

Ms Ada Osakwe

Dr Suleyman Ndanusa

DESIGNATION
Chairman
Managing Director and Chief Executive Officer
Executive Director and Chief Investment Officer
Executive Director and Chief Operating Officer
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

The activities of NSIA are also overseen by a Governing Council that comprises the President, the 36 State Governors, the Minister of the Federal Capital Territory (FCT), the Minister of Finance, the Attorney General of the Federation, the Central Bank of Nigeria Governor, the Chief Economic Adviser to the President, the Chairman of the Revenue Mobilisation, Allocation and Fiscal Commission and 12 members of the public appointed by the President. The Authority reports on assets, liabilities, redemptions, sales, general performance by asset class and significant trends affecting investment objectives to the Governing Council.

Management Team

Mr Aminu Umar-Sadiq was appointed in October 2022 as the Managing Director of NSIA. He has two decades of professional experience in the financial services sector, spanning public finance management, mergers & acquisitions, private equity and asset management. Mr Umar-Sadiq worked with Morgan Stanley, London; Société Générale, London; and Denham Capital Management. He currently serves on the boards of the Nigeria Mortgage Refinancing Company, Development Bank of Nigeria, NSIA Advanced Medical Services Limited and Green Guarantee Company. Mr Umar-Sadiq holds a Bachelor's and Master's degree in Engineering Sciences, both from the University of Oxford, United Kingdom.

Other members of Nigeria Sovereign Investment Authority's senior management team include:

Mr Kola Owodunni

Executive Director and Chief Investment Officer

Mrs Ijeoma Taylaur

Executive Director and Chief Operating Officer

Mr Victor Sesere

Ag. Chief Financial Officer

Ms Nana Maidugu

Head, Sustainability and ESG

Mrs Sybil Etuk	<i>Head, Subsidiary Management</i>
Ms Gbemisola Tella	<i>Head, Human Resources</i>
Mrs Ezinwa Okoroafor	<i>General Counsel</i>

In the financial year ended 31 December 2024, the Authority had an average workforce of 60 persons, at par with the prior year. Nonetheless, given the impact of inflationary pressures, staff costs increased by 75.9% to ₦3.9 billion as staff salaries were reviewed upwards. Consequently, the average staff cost per employee rose by 75.9% to ₦65.4 million. Given the improved performance during the year under review, operating income per staff spiked by 1.6 times to ₦31.6 billion and covered the staff costs per employee 483.1 times (2023: 527.7 times). We believe staff productivity is good, and an experienced management team oversees NSIA.

ANALYSTS' COMMENTS

ASSET QUALITY

The Nigerian Sovereign Investment Authority operates three ring-fenced funds based on its mandates. The Future Generations Fund (FGF) is dedicated to the mandate of accumulating savings for the country, the Nigeria Infrastructure Fund (NIF) supports Nigeria's infrastructural development, while the Stabilisation Fund (SF) aims to provide financial stability during periods of economic stress. Thus, the risk appetite adopted in managing each fund differs. As at 31 December 2024, NSIA's total assets and commitments stood at ₦4.4 trillion (US\$2.9 billion @ ₦1,535.32/\$), representing a 92.9% year-on-year growth, largely due to the impact of 40.5% depreciation of the reporting currency, the naira. The contribution received during the year under review, in line with the PIA 2021 royalty-based price, also supported the asset growth.

As at FYE 2024, the investment portfolio stood at ₦4 trillion (2023: ₦1.9 trillion) and accounted for a predominant 89.4% (2023: 85%) of total assets and commitments. The expansion in the investment portfolio was buoyed by reinvestments of returns generated and allocation of the injected capital. The steep naira also bloated the investment portfolio, which is predominantly US dollar-denominated. The investment portfolio, which traverses the three operated funds, largely comprises currency swaps, hedge funds, long-only equity investments, private equity, fixed deposits, Eurobonds, treasury securities and other investment receivables, reflecting a strategic mix based on the risk appetite of each of the funds.

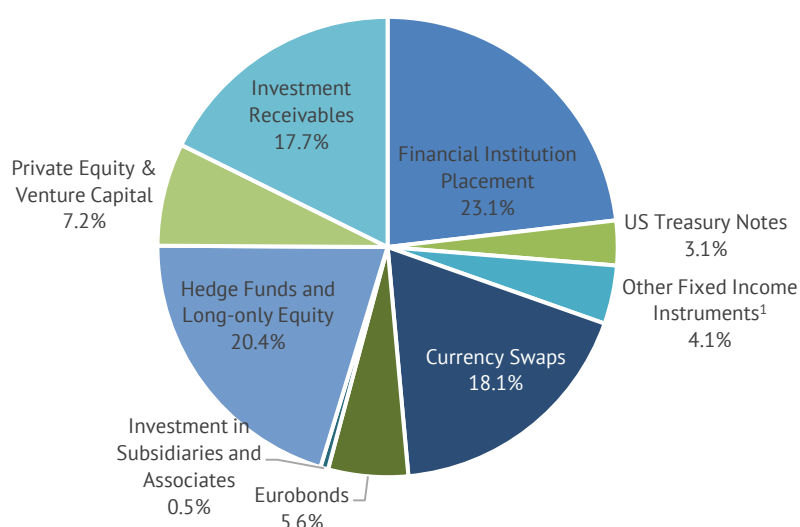
Placement with financial institutions was the single largest component of the investment portfolio in line with the Authority's stabilisation mandate, while also pursuing returns. This represented 23.1% (2023: 16%) of the investment portfolio. Based on Agusto & Co.'s assessment, all of the placements were with investment-grade counterparties on our national rating scale. Also included in the investment portfolio are Eurobonds issued by the Federal Government of Nigeria (FGN) and top-tier banks, which accounted for 5.6% (2023: 5.3%) of the investment portfolio.

Hedge funds and long-only equities support the savings accumulation mandate, given the potential for higher returns. As at FYE 2024, these investment securities represented a stable 20.4% of the investment portfolio, following a 105.2% year-on-year growth given the uptick in asset volatility and the impact of Naira depreciation. Adjusted for exchange rate depreciation, the real growth was 20.2%, reflecting additional allocations and valuation gains. Despite the increase in hedge fund exposure, liquidity risk is moderate as these instruments are held within the Future Generations Fund, designed for long-term returns with limited redemption needs. We note the heightened exposure to global market volatility and valuation risks. However, we take comfort in the diversification of the hedge funds and long-only equities across 16 fund managers, including top-tier institutions such as Morgan Stanley and Goldman Sachs, and the clear alignment with the Authority's investment policy framework.

Currency swaps support the Central Bank of Nigeria's USD liquidity position while providing additional income to NSIA. The currency swaps investment also aligns with the Authority's mandate of providing liquidity and safeguarding Nigeria against economic shocks. The outstanding balance expanded by 70.8% year-on-year, largely driven by the currency depreciation, and accounted for 18.1% (2023: 21.6%) of the investment portfolio.

Given the credit quality of the CBN as a counterparty and the structure of the transactions, we consider the credit risk associated with the currency swaps minimal. The surge in Nigeria's foreign currency inflows, as reflected in the enlarged external reserves, has moderated the CBN's appetite for currency swaps. Thus, we anticipate repayment of the outstanding balance before 31 December 2025.

Figure 1: Breakdown of Investment Securities as at 31 December 2024



1

Private equity (PE) firms are also investment outlets for the future generation fund. Investments in venture capital firms, direct trading in exchange-traded funds (ETFs) and single stock pre-initial public offering (pre-IPO), co-investments with alternative assets external managers and new sector fund positions, such as technology funds, dominate the PE investment portfolio. In the year under review, PE investments rose by 68% and account for 7.2% (2023: 8.7%) of the investment portfolio as at FYE 2024. The private equities and venture capital portfolio is also diversified across 38 fund managers.

NSIA's infrastructure development strategy is anchored on direct investment in projects and companies via debt or equity. This provides a co-investment platform by enabling or creating institutions to address specific infrastructure challenges. As at 31 December 2024, the NSIA had 10 direct subsidiaries, 14 indirect subsidiaries (including projects under the Presidential Infrastructure Development Fund), four associates and four joint venture (JV) companies. While the current contribution of most of the investee companies to NSIA's performance has been minimal, given their embryonic stage of development, we believe these companies have significant growth potential and are strategic to improving Nigeria's low infrastructural stock.

Overall, we consider NSIA's asset quality good, supported by a diversified investment portfolio across sovereign-backed instruments, global equities, private equity, and infrastructure assets. The portfolio's composition reflects prudent risk management and a deliberate balance between liquidity, yield and long-term capital growth.

¹ Other fixed income instruments include FGN bonds, treasury bills, US fixed income products, commercial papers & structured repo

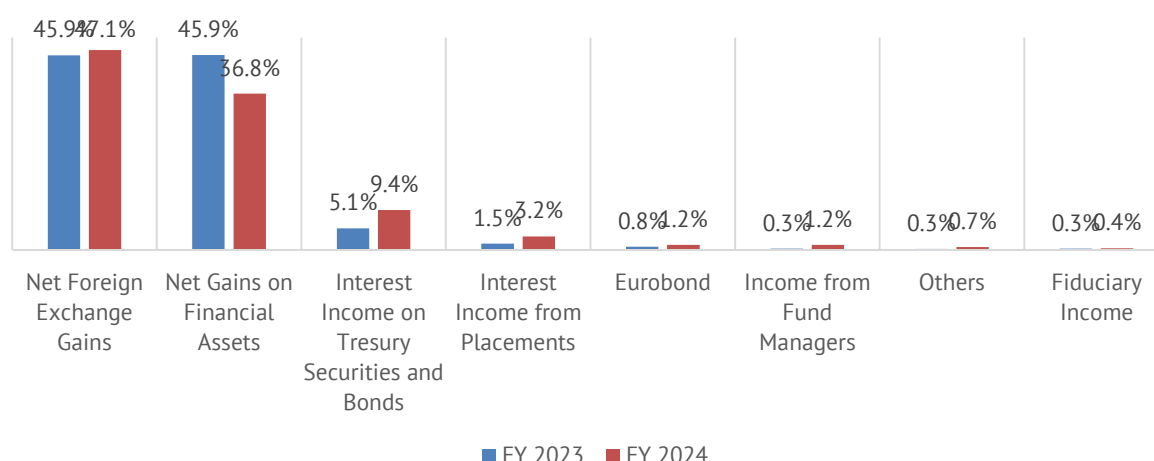
EARNINGS AND PERFORMANCE

NSIA earnings comprised interest income on investment securities and valuation gains on swaps, hedge funds and equity investments. Returns from fund managers and dividends from investee companies also support earnings. During the financial year ended 31 December 2024, the Authority's operating income amounted to ₦1.9 trillion, grew by 61% largely due to the bloating impact of naira depreciation and the prevailing high yields.

In FY 2024, the Authority recorded a 198.5% surge in interest income to ₦266.4 billion, primarily driven by elevated yields and portfolio expansion. The Naira depreciation impact on US dollar-denominated assets was also reflected in the interest income. Open market operations (OMO) bills remained the principal driver of interest income, contributing 63.9% (2023: 66.2%) in FY 2024. Fixed-income securities have historically offered a stable and relatively low-volatility income stream. However, we expect some moderation in interest income in the near term, reflecting the relatively stable exchange rate in Nigeria and ongoing monetary easing in the fixed income markets of Nigeria and the United States, the NSIA's key fixed income markets.

During FY 2024, non-interest income comprising valuation gains and returns from fund managers grew by 49.7% to ₦1.6 billion, bolstered by the favourable global investment terrain. Fair value gains rose by 47.1% to ₦1.5 billion, accounting for 97.5% of non-interest income and largely driven by the impact of the 40.1% Naira depreciation and revaluation gains on the investment portfolio. We do not anticipate significant foreign currency revaluation gains in the near term, given the relative stability of the naira.

Figure 2: Breakdown of Operating Income for FY 2023 & FY 2024



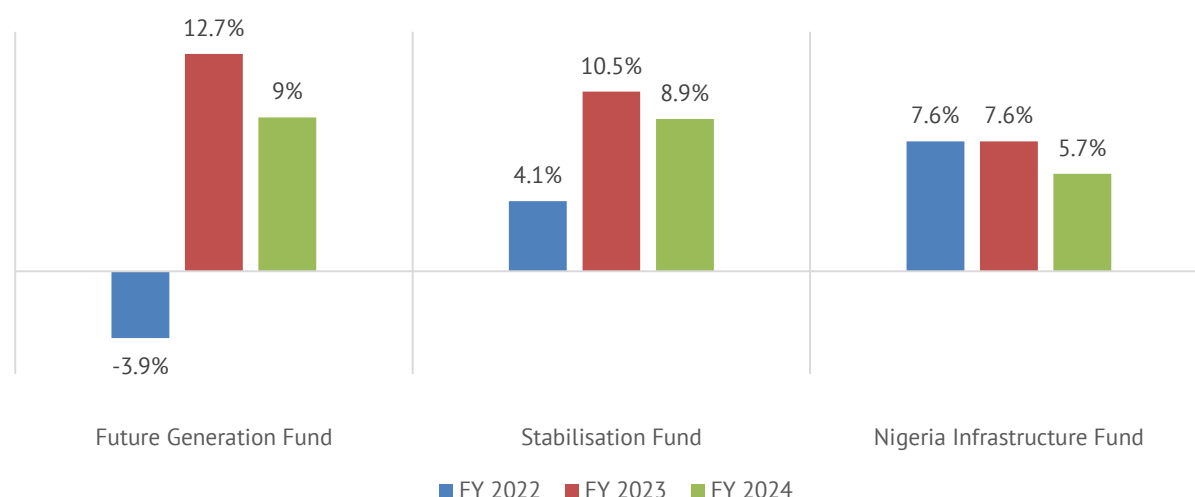
NSIA earns fees for providing fund and project management services to the FGN and its agencies. During the review period, third-party funds under the Authority's management include the Presidential Infrastructure Development Fund (PIDF), the FGN Stabilisation Fund, the CBN Nigeria Electricity Supply Industry (NESI) and the Presidential Fertiliser Initiative (PFI). In FY 2024, fiduciary income from the fund management activities rose by 88.3% to ₦6.9 billion. In the near term, we expect the fiduciary income to remain stable, supported by

the continued management of existing third-party funds. However, as some legacy projects such as the PIDF gradually wind down, overall growth in this income stream is expected to remain moderate.

In FY 2024, the Authority's operating expenses expanded by 115.2% to ₦13.9 billion, reflecting the impact of elevated inflationary pressures. Nevertheless, the expansion in operating income cushioned operating costs, resulting in a 0.7% (2023: 0.5%) cost-to-income ratio (CIR). We believe CIR will be pressured in the near term, given the anticipated moderation in earnings as the relatively stable exchange rate eliminates the non-recurring foreign exchange revaluation gains. In addition, as the CBN winds down the currency swap portfolio, the associated income, which hitherto provided a stable income source, will disappear. Subsequent to the year-end, in the first six months of 2025, the CIR inched upwards to 4.9%, in line with our expectation.

Overall, pre-tax profit rose by 60.7% to ₦1.9 trillion in FY 2024, primarily driven by the foreign currency revaluation gains. Nonetheless, the Authority recorded a 56.8% growth in core profits without the volatile foreign exchange gains. We also note that all the funds were profitable. The FGF posted a 142.5% increase in pre-tax profit to ₦809.9 billion, partly supported by higher FX and fair value gains. Likewise, the NIF's pre-tax profit also rose by 38.5% to ₦841.3 billion, while the stabilisation funds recorded a 3.8% decline in profits. However, when we assessed the funds' performance in USD terms, the Future Generation Fund delivered a lower return of 9% (2023: 12.7%). Nonetheless, the FGF outperformed the US CPI + 4% (6.9%) benchmark in FY 2024. The Stabilisation Fund also realised a lower 8.9% (2023: 10.5%) return, albeit still higher than the US CPI during the period. Similarly, the Nigeria Infrastructure Fund delivered a lower 5.7% (2023: 7.6%), reflective of the relatively longer payback period associated with the asset class.

Figure 3: Fund Performance (FY 2022 – FY 2024)



NSIA's pre-tax return on average assets and commitments (ROA) and pre-tax return on average equity (ROE) declined to 56.1% (2023: 70.1%) and 57.8% (2023: 73.4%), respectively, due to the enlarged asset and capital base in FY 2024. When we adjusted for the impact of foreign exchange gains recorded during the year, the ROA and ROE declined further to 33.8% (2023: 44.9%) and 35.1% (2023: 47.4%), respectively. Nonetheless, the

profitability ratios were better than Norway's SWF, with a 13.8% ROA and 14.8% ROE. We consider NSIA's profitability good despite the impact of prevailing global uncertainty. In the near term, we anticipate some moderation in profitability as the currency stabilises and the CBN winds down the swap portfolio. In the six months ended 30 June 2025, the annualised ROA and ROE declined to 8% and 8.2% respectively, in line with our expectation.

CAPITAL ADEQUACY AND LEVERAGE

As at 31 December 2024, NSIA's shareholders' funds stood at ₦4.3 trillion (US\$2.8 billion @ ₦1,535.32/\$), a significant 96.8% year-on-year growth buoyed by the full retention of profits generated during the review year. The ₦247 billion (US\$175.4 million) additional contribution on the back of the Petroleum Industry Act 2021 implementation, which introduced a price-based royalty of up to 10% on crude oil sales, also supported the enlarged capital base.

NSIA had nil debt as at 31 December 2024. Thus, the equity cushion remained strong at 96.9% (2023: 95.5%). We consider NSIA's capital and leverage good for the current business risks undertaken. Subsequent to year-end, during the period ended 30 June 2025, the Authority received an additional contribution of ₦207.1 billion (US\$138.8 million) as Royalty by Price based on the PIA 2021 implementation. We expect this trend to continue in the near term as crude oil prices remain above the \$50/barrel threshold.

LIQUIDITY AND FUNDING

NSIA's activities are primarily funded through shareholder contributions, internally generated cash flows, co-investor funding for infrastructure projects, and price-based royalties on crude oil in accordance with the Petroleum Industry Act (PIA) 2021. In FY 2024, the Authority received an additional contribution of \$175.4 million for the financial year ended 31 December 2024. Subsequent to year-end, an additional \$138.8 million royalty contribution was received by the NSIA under the PIA. The NSIA also manages third-party funds on behalf of the Federal Government of Nigeria and its agencies for the implementation of various infrastructure projects. To further diversify the funding base, NSIA plans to raise up to \$750 million in debt funding from various sources, including multilateral financial institutions and the debt market, with a target of \$100 million by H1 2026.

The Authority has a mandate to provide emergency funding to the Nigerian federation in periods of distress and maintains a pool of liquid assets to facilitate the prompt fulfilment of short-term obligations. As at 31 December 2024, the Authority's liquid assets stood at ₦1.7 trillion, a 134.5% year-on-year expansion. The liquid assets covered total assets and future commitments at a higher 30.4 times (2023: 13 times), which we assessed good.

Overall, we consider NSIA's liquidity profile and refinancing capacity good.

ENVIRONMENT, SOCIAL AND GOVERNANCE

The Nigeria Sovereign Investment Authority operates with a three-tier management system consisting of the Governance Council, the Board of Directors and the Executive Management. The Authority operated without a board for seven months during the year under review. Although the Minister of Finance exercised the Board's authority during the period as permitted by the NSIA Act, we believe the Authority is susceptible to political risk. A new Board was formed in August 2024, with Non-Executive Directors dominating, in line with best practice. During the year under review, the Board Audit, Risk and ESG Committee was incorporated to provide oversight for environmental and social factors within the Authority.

The Authority is committed to sustainability by embedding environmental, social, and governance (ESG) factors into its operational strategy, investment philosophy, and strategic partnerships. NSIA became a signatory to the United Nations (UN) Principles for Responsible Investment in FY 2024 and aligns with key frameworks, including the International Finance Corporation Performance Standards, the 2X Criteria on Gender, and the UN Sustainable Development Goals (SDGs).

In February 2024, NSIA launched the Green Guarantee Company ("GCC"), alongside key partners including the United Kingdom's Foreign, Commonwealth and Development Office (FCDO), the Green Climate Fund, and Norfund, among others. The GCC aims to provide up to \$1 billion in guarantees aimed at mobilising climate finance for developing countries by leveraging an initial \$100 million from the key partners. NSIA committed \$10 million to kick-start this initiative. In August 2024, through the wholly owned subsidiary Renewables Investment Platform for Limitless Energy ("RIPEnergy"), NSIA signed a joint venture agreement with PASH Global Management Limited ("PASH") to develop and operate a 2.6 megawatt-peak (MWp) ground-mounted solar photovoltaic (PV) plant with a 6 megawatt-hour (MWh) battery storage system in Nasarawa State, Nigeria. Moreover, during the review year, NSIA completed its inaugural carbon footprint assessment, which incorporates both Scope 1 (direct) and Scope 2 (indirect) greenhouse gas emissions.

In the near term, the Authority aims to fully implement the International Sustainability Standards Board (ISSB) standards, including S1 and S2 of the International Financial Reporting Standards (IFRS), and is in engagement with the Financial Reporting Council of Nigeria (FRC) for voluntary compliance. Overall, we believe environmental, social and governance (ESG) issues have minimal contribution to the credit risk profile of the Authority.

OUTLOOK

In the near term, NSIA intend to continue leveraging the strong capital base, prudent investment strategy, and the risk management framework to preserve value and drive long-term growth across the three core funds. The Stabilisation Fund is expected to deliver steady returns in the near term, on the back of improved liquidity in global capital markets and exposure to high-quality, short-tenured instruments amid a volatile macroeconomic environment. Likewise, the Future Generations Fund is anticipated to achieve positive performance, benefiting from improved global financial conditions, lower interest rates, and stronger investor risk appetite for equities and alternative assets. Continued momentum in global technology, renewable energy, and climate-aligned sectors is expected to bolster returns on hedge funds, long-only equity and private equity

exposures, while valuation gains are likely to moderate as FX-driven windfalls subside. The Nigeria Infrastructure Fund is expected to deepen its footprint in high-impact sectors, such as renewable energy, healthcare, industrialisation and digital infrastructure. Strategic projects, including the ammonia plant in Akwa Ibom, the Lagos Entertainment Arena, and data-centre investments, are expected to be key execution priorities in the near term.

The Authority's robust capital base, reinforced by continuous inflows from the PIA royalties, will sustain the capacity for large-scale, high-impact investments in the near term. Profitability is expected to remain good in the near term, supported by growing core income from global investments. Overall, we expect NSIA's asset quality and earnings profile to remain good, supported by portfolio diversification and continued alignment with the long-term developmental wealth mandates.

Based on the aforementioned, we hereby attach a **stable** outlook to the rating of the Nigeria Sovereign Investment Authority.

FINANCIAL SUMMARY

NIGERIA SOVEREIGN INVESTMENT AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT

ASSETS

	31-Dec-22		31-Dec-23		31-Dec-24	
	₦'million		₦'million		₦'million	
1 Cash & Equivalents	13,203	1%	285,949	12%	408,431	9%
2 Placements	113,606	11%	306,426	13%	910,619	21%
3 Government securities	65,278	6%	146,106	6%	412,911	9%
4 CASH & MARKETABLE SECURITIES	192,087	18%	738,481	32%	1,731,961	39%
5 Gross Loans Disbursed	23,742	2%	7,907	0%	4,326	0%
6 Less: Cumulative loan loss provision	(382)	0%	(154)	0%	(94)	0%
7 TOTAL LOANS & ADVANCES - NET	23,360	2%	7,753	0%	4,232	0%
8 Ordinary Equity Investments(Net)	4,226	0%	4,835	0%	3,798	0%
9 Hedge Funds and PE investments	246,718	23%	564,100	25%	1,094,175	25%
10 OTHER EARNING ASSETS	443,762	42%	1,021,611	45%	1,910,826	43%
11 TOTAL OTHER ASSETS	352,813	34%	453,562	20%	703,343	16%
12 TOTAL OTHER LONG-TERM ASSETS	12,287	1%	10,624	0%	21,550	0%
13 TOTAL FIXED ASSETS & INTANGIBLES	995	0%	1,345	0%	1,625	0%
14 TOTAL ASSETS	1,025,305	97%	2,233,376	98%	4,373,537	99%
15 Unfunded Capital Commitments with PE Managers	26,341	3%	56,962	2%	44,622	1%
16 TOTAL ASSETS & COMMITMENTS	1,051,646	100%	2,290,339	100%	4,418,160	100%

CAPITAL & LIABILITIES

17 TIER 1 CAPITAL (CORE CAPITAL)	999,585	95%	2,191,779	96%	4,321,228	98%
18 SHORT TERM BORROWINGS			24,533,176	1071%		
19 LONG TERM BORROWINGS	-		-		-	
20 TOTAL INTEREST BEARING LIABILITIES			24,533,176	1071%		
21 TIER 2 CAPITAL	5,986	1%	6,552	0%	4,891	0%
22 TOTAL OTHER LIABILITIES	19,734	2%	10,511	0%	47,418	1%
23 TOTAL CAPITAL & LIABILITIES	1,025,305	97%	2,233,376	98%	4,373,537	99%
24 TOTAL COMMITMENTS	26,341	3%	56,962	2%	44,622	1%
25 TOTAL CAPITAL, LIABILITIES & COMMITMENTS	1,051,646	100%	2,290,339	100%	4,418,160	100%

NIGERIA SOVEREIGN INVESTMENT AUTHORITY
INCOME STATEMENT FOR THE YEAR ENDED

	31-Dec-22		31-Dec-23		31-Dec-24	
	₦'million		₦'million		₦'million	
26 Interest income	50,917	49%	89,259	26%	266,399	49%
27 Interest expense			-1,559	0%	-426	
28 NET INTEREST REVENUE	50,917	49%	87,700	26%	265,973	49%
29 Investment income	4,144	4%	4,574	2%	32,908	4%
30 Fees and other income	47,760	46%	1,088,619	71%	1,599,302	46%
31 Loan loss expense	-1,049	-1%	-3,317	0%	-1,852	-1%
32 OPERATING INCOME	101,772	98%	1,177,576	99%	1,896,331	98%
33 STAFF COSTS	-2,479	-2%	-2,231	-2%	-3,925	-2%
34 DEPRECIATION EXPENSE	-374	0%	-436	0%	-603	0%
35 OTHER OPERATING EXPENSES	-2,946	-3%	-3,699	-1%	-9,360	-3%
36 OPERATING EXPENSES	-5,799	-6%	-6,366	-3%	-13,888	-6%
37 PROFIT BEFORE TAX	95,973	92%	1,171,210	96%	1,882,443	92%

NIGERIA SOVEREIGN INVESTMENT AUTHORITY
KEY RATIOS

	31-Dec-22	31-Dec-23	31-Dec-24
PROFITABILITY RATIOS			
38 Return on earning assets (average)	16.5%	120.6%	93.0%
39 Return on average assets	8.4%	70.1%	56.1%
40 Return on average equity	10.1%	73.4%	57.8%
41 Loan loss expense/Interest income	2.1%	3.7%	0.7%
42 Operating expenses/Net earnings	5.7%	0.5%	0.7%
LIQUIDITY RATIOS			
43 Liquid assets/Future commitments	729%	1296%	3881%
44 Liquid assets/total debt	100%	3010%	100%
45 Liquid assets/Long term debts	100%	100%	100%
46 Liquid assets/total liabilities	973%	7025%	3653%
47 Liquid assets/total assets	18%	32%	39%
CAPITAL ADEQUACY			
48 Core Capital	999,535	2,191,716	4,321,215
49 Tier 2	5,986	6,552	4,891
50 Equity Cushion	84%	95%	97%
51 Outstanding loans + Net equity investments + Net Guarantees/Realizable Capital	65%	50%	43%
LEVERAGE RATIOS			
52 Debt/Equity	2%	0%	1%
53 Gross debt (net of liquid assets)/core capital	-19%	-33%	-40%
54 Gross debt (net of liquid assets)/Realizable capital	-19%	-33%	-40%

STAFF INFORMATION

55 Average number of employees	62	60	60
56 Staff cost per employee (N'million)	40	37	65
57 Operating Income per staff (N'million)	1,641	19,626	31,606
58 Staff cost/Operating income	2.4%	0.2%	0.2%
59 Staff costs/Operating expenses	42.7%	35.1%	28.3%

OTHER INFORMATION

60 Auditors	PWC	EY	EY
61 Opinion	CLEAN	CLEAN	CLEAN

LONG TERM RATING DEFINITIONS

Aaa	A Government-backed institution of the best financial condition and strongest capacity to meet obligations as and when they fall due relative to all other GBIs in the same country.
Aa	A Government-backed institution of very good financial condition and strong capacity to meet its obligations as and when they fall due relative to all other GBIs in the same country.
A	A Government-backed institution of good financial condition and strong capacity to meet its obligations relative to all other GBIs in the same country.
Bbb	A Government-backed institution of satisfactory financial condition and adequate capacity to meet its obligations as and when they fall due relative to all other GBIs in the same country.
Bb	A Government-backed institution with satisfactory financial condition but limited capacity to meet obligations as and when they fall due relative to all other GBIs in the same country.
B	A Government-backed institution with weak financial condition and weak capacity to meet obligations as and when they fall due relative to all other GBIs in the same country.
C	A Government-backed institution with very weak financial condition and very weak capacity to meet obligations as and when they fall due relative to all other GBIs in the same country.
D	In default.

A "+" (plus) or "-" (minus) sign may be assigned to ratings from Aa to C to reflect comparative position within the rating category. Therefore, a rating with + (plus) attached to it is a notch higher than a rating without the + (plus) sign and two notches higher than a rating with the - (minus) sign.

SHORT TERM RATING DEFINITIONS

A1+	A Government-backed institution with the strongest capacity to meet short-term obligations as and when they fall due relative to other issuers/obligations in the same country
A1	A Government-backed institution with a strong capacity to meet short-term obligations as and when they fall due relative to other issuers/obligations in the same country
A2	A Government-backed institution with adequate capacity to meet short-term obligations as and when they fall due relative to other issuers/obligations in the same country
A3	A Government-backed institution with limited capacity to meet short-term obligations as and when they fall due relative to other issuers/obligations in the same country
B	A Government-backed institution with weak capacity to meet short-term obligations as and when they fall due relative to other issuers/obligations in the same country
C	A Government-backed institution with very weak capacity to meet short-term obligations as and when they fall due relative to other issuers/obligations in the same country
D	A Government-backed institution in default

ESG CREDIT RATING CONTRIBUTION SCORE GUIDE

1	Environmental, Social and Governance issues do not contribute to credit risk.
2	Environmental, Social and Governance issues have minimal contribution to credit risk.
3	Environmental, Social and Governance issues have a material contribution to credit risk.
4	Environmental, Social and Governance issues contribute significantly to credit risk.
5	Environmental, Social and Governance issues are major contributor to credit risk.



www.agusto.com

© Agusto & Co.
UBA House (5th Floor)
57 Marina Lagos
Nigeria.
P.O Box 56136 Ikoyi
+234 (1) 2707222-4
+234 (1) 2713808
Fax: 234 (1) 2643576
Email: info@agusto.com