National Investment Fund Holding Company Limited

Interim Financial Statements
For the six months ended June 30, 2021
(Expressed in Trinidad and Tobago Dollars)

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Statement of Financial Position
For the six months ended June 30, 2021
(Expressed in Trinidad and Tobago Dollars)

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NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Statement of Financial Position
For the six months ended June 30, 2021
(Expressed in Trinidad and Tobago Dollars)

	Notes	Unaudited Six Months ended Jun-30-2021 $000	Unaudited Six Months ended Jun-30-2020 $000	Audited Year ended 31-Dec-2020 $000
ASSETS				
Non-Current Assets				
Office equipment		12	19	12
Investments	3a	10,125,067	9,428,122	9,327,309
Other Investments	3b	62,989	25,627	96,194
Total non-current assets		10,188,068	9,453,768	9,423,515
Current Assets				
Prepayments and other receivables		1,241	1,122	1,886
Cash and cash equivalents	4	111,441	127,856	135,316
Total Current Assets		112,682	128,978	137,202
Total Assets		**10,300,750**	**9,582,746**	**9,560,717**
EQUITY				
Stated Capital	5	3,940,967	3,940,967	3,940,967
Reserves		5,000	5,000	5,000
Retained Earnings		2,268,040	1,549,321	1,526,823
Total Equity		6,214,007	5,495,288	5,472,790
Non-Current Liabilities				
Bonds	6	3,971,084	3,966,624	3,968,854
Deferred government subventions		28,916	33,376	31,146
Total Non-Current Liabilities		4,000,000	4,000,000	4,000,000
Current Liabilities				
Accruals and other payables		385	193	341
Accrued bond interest		86,358	87,265	87,586
Total Current Liabilities		86,743	87,458	87,927
Total Liabilities and Equity		**10,300,750**	**9,582,746**	**9,560,717**

Director **Director**

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

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(Expressed in Trinidad and Tobago Dollars)

	Notes	Unaudited Six Months ended Jun-30-2021 '000	Unaudited Six Months ended Jun-30-2020 '000	Audited Year ended 31-Dec-2020 '000
Income				
Dividend Income		55,139	30,944	222,772
Interest Income		1,494	1,256	2,695
Other Income - Government subvention		2,230	2,230	4,460
Other Income - Net fair value gains on financial assets	7	797,758	135,321	34,508
Total Income		**856,621**	**169,751**	**264,435**
Expenditure				
Operating expenses		(2,202)	(1,646)	(4,077)
Finance costs		(113,202)	(113,435)	(228,186)
Total Expenditure		**(115,404)**	**(115,081)**	**(232,263)**
Net profit for the year/period		**$741,217**	**$54,670**	**$32,172**

The accompanying notes form an integral part of these financial statements.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Statement of Change in Equity
For the six months ended June 30, 2021
(Expressed in Trinidad and Tobago Dollars)

	Stated Capital '000	Retained Earnings '000	Reserves '000	Total '000
Six months ended June 30, 2021:				
Balance as at January 1, 2021	3,940,967	1,526,823	5,000	5,472,790
Net Profit for the period	-	741,217	-	741,217
Balance as at June 30, 2021	**$3,940,967**	**$2,268,040**	**$5,000**	**$6,214,007**
Six months ended June 30 2020:				
Balance as at January 1, 2020	3,940,967	1,494,651	5,000	5,440,618
Net Profit for the period	-	54,670	-	54,670
Balance as at June 30, 2020	**$3,940,967**	**$1,549,321**	**$5,000**	**$5,495,288**
Year ended December 31, 2020:				
Balance as at January 1, 2020	3,940,967	1,494,651	5,000	5,440,618
Net Profit for the year	-	32,172	-	32,172
Balance as at December 31, 2020	**$3,940,967**	**$1,526,823**	**$5,000**	**$5,472,790**

The accompanying notes form an integral part of these financial statements.

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED

Interim Statement of Cash Flows
For the six months ended June 30, 2021
(Expressed in Trinidad and Tobago Dollars)

	Unaudited Six Months ended Jun-30-2021 '000	Unaudited Six Months ended Jun-30-2020 '000	Audited Year ended Dec-31-2020 '000
Cash flows from Operating activities			
Net profit for the year period	741,217	54,670	32,172
Depreciation in office equipment	-	-	7
Other Income – net fair value gains on financial assets	(797,758)	(135,321)	(34,508)
Bond Interest recognised at amortised cost	110,972	111,206	223,725
Changes in working capital:			
Net change in prepayments and other receivables	645	(609)	(1,373)
Net change in accruals and other payables	44	(65)	85
Net cash from Operating activities	**55,120**	**29,881**	**220,108**
Cash flows from Investing activities			
Net change in investments	33,205	31,330	(39,237)
Net cash provided by / (used in) Investing activities	**32,205**	**31,330**	**(39,237)**
Cash flows from Financing activities			
Bond Interest paid	(112,200)	(112,200)	(224,400)
Net cash (used in) / provided by Financing activities	**(112,200)**	**(112,200)**	**(224,400)**
Net change in cash and cash equivalents	**(23,875)**	**(50,989)**	**(43,529)**
Cash and cash equivalents at the beginning of the year	135,316	178,845	178,845
Cash and cash equivalents at the end of year / period	**$111,441**	**$127,856**	**$135,316**

The accompanying notes form an integral part of these financial statements.

1. Description of the Company

The National Investment Fund Holding Company Limited ("NIF" or "the Company") was incorporated in the Republic of Trinidad and Tobago on May 29, 2018. The registered office of the Company is Level 2, Eric Williams Financial Building, Independence Square, Port of Spain.

The Company is a holding company for the assets transferred from the Government of the Republic of Trinidad and Tobago ("GORTT") initially being investments in Trinidad Generation Unlimited, Angostura Holdings Limited, Republic Financial Holdings Limited, One Caribbean Media Limited and West Indian Tobacco Company Limited. All financial assets were transferred to the Company on July 6, 2018 at fair market value with the exception of Trinidad Generation Unlimited which was based on an independent valuation at July 31, 2017.

The Company owns 100% of the Trinidad Generation Unlimited ("TGU" or "the Subsidiary") whose registered office is located on the 3rd Floor, Colfire Building 128 Mulchan Seuchan Road, Chaguanas, Trinidad. TGU's principal activity is 'to engage in the acquisition, construction, ownership and operation, management and maintenance of power generation facilities'.

2. Summary of significant accounting policies

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are presented in thousands in Trinidad and Tobago dollars (rounded to the nearest thousand). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets.

2.1 Basis of preparation

The interim financial statements for the six months ended June 30, 2021 have been prepared in accordance with the International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and should be used in conjunction with the annual financial statements for the year ended December 31, 2020.

2.2 New standards, interpretations and amendments adopted

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the annual audited financial statements for the year ended December 31, 2020.

3. Investments - Financial assets

a. Investments - Financial assets at fair value through profit and loss

	No. of Shares	Share Price	Unaudited Six Months ended Jun-30-2021 '000	Unaudited Six Months ended Jun-30-2020 '000	Audited Year ended Dec-31-2020 '000
Investment in associates:					
Angostura Holdings Limited	61,677,011	$16.49	1,017,054	918,987	1,011,503
One Caribbean Media Limited	15,285,917	$4.51	68,939	84,073	73,984
Republic Financial Holdings Limited	42,475,362	$139.93	5,943,578	5,925,313	5,733,749
Investment in subsidiary:					
Trinidad Generation Unlimited	189,400,000		2,658,820	2,025,000	2,025,000
Other equity investments:					
West Indian Tobacco Company Limited	13,646,136	$32.00	436,676	474,749	483,073
			$10,125,067	**$9,428,122**	**$9,327,309**

The Company owns 100% of the Trinidad Generation Unlimited (TGU) which is privately held and in the absence of recent trading activity of its shares, management undertook an in-house valuation to determine the fair value of the investment as at December, 2020. The resulting assessment was reviewed by our independent auditors and a reputable professional consulting firm to confirm the appropriateness of the valuation methodology used. The unrealised fair value gain of $633.82 million was recognized in the statement of comprehensive income in the period ending March 31, 2021.

Movement during the year/period	Unaudited Six Months ended Jun-30-2021 '000	Unaudited Six Months ended Jun-30-2020 '000	Audited Year ended Dec-31-2020 '000
Balance at the beginning of year/period	9,327,309	9,292,801	9,292,801
Additions of investments at FVPL	-	-	-
Net unrealised gains on financial assets at fair value	797,758	135,321	34,508
Balance at the end of year/period	**$10,125,067**	**$9,428,122**	**$9,327,309**

3. Investments - Financial assets (continued)

b. Other Investments - Financial assets at amortised cost

The investment at amortised cost represent non-current provisions to the sinking fund to cater for principal repayments on the bonds in 2023, 2030 and 2038.

	Unaudited Six Months ended Jun-30-2021 '000	Unaudited Six Months ended Jun-30-2020 '000	Audited Year ended Dec-31-2020 '000
Government debt securities	61,984	24,619	95,187
Corporate debt securities	1,005	1,008	1,007
Balance at the end of year/period	**$62,989**	**$25,627**	**$96,194**

Movement during the year/period	Unaudited Six Months ended Jun-30-2021 '000	Unaudited Six Months ended Jun-30-2020 '000	Audited Year ended Dec-31-2020 '000
Balance at January 1,	96,194	56,957	56,957
Net movement investment at amortised cost	(33,205)	(31,330)	39,237
Balance at the end of year/period	**$62,989**	**$25,627**	**$96,194**

4. Cash and cash equivalents	Unaudited Six Months ended Jun-30-2021 '000	Unaudited Six Months ended Jun-30-2020 '000	Audited Year ended Dec-31-2020 '000
Bank current account	78,209	36,490	114,121
Mutual funds	830	10,319	823
Short term deposits	32,402	81,047	20,372
	$111,441	**$127,856**	**$135,316**

5. Stated capital	Unaudited Six Months ended Jun-30-2021 '000	Unaudited Six Months ended Jun-30-2020 '000	Audited Year ended Dec-31-2020 '000
Authorised:			
An unlimited number of ordinary shares of no par value			
Issued and fully paid:			
1 ordinary share of no par value	**$3,940,967**	**$3,940,967**	**$3,940,967**

6. Bonds

The Company issued coupon rate bonds in three series during the period July 12, 2018 to August 9, 2018; these bonds have continued being actively traded on the corporate bond market. During the six months ended June 30 2021, no new bonds were issued by the Company.

The three (3) series NIF Bonds include:

Bonds	Value	Rate	Duration	Maturity Date
Series A	1.2 billion	4.5%	5 years	August 9, 2023
Series B	1.6 billion	5.7%	12 years	August 9, 2030
Series C	1.2 billion	6.6%	20 years	August 9, 2038

	Unaudited Six Months ended Jun-30-2021 '000	Unaudited Six Months ended Jun-30-2020 '000	Audited Year ended Dec-31-2020 '000
Bonds in Series A, B and C	4,000,000	4,000,000	4,000,000
Amortised bond issuance cost	(28,916)	(33,376)	(31,146)
	$3,971,084	**$3,966,624**	**$3,968,854**

7. Other Income – Net unrealised gains on financial assets at fair value through profit or loss

Net unrealised gains on financial assets at fair value through profit or loss were attributable to the upliftment in market values during the period reported.

	Unaudited Six Months ended Jun-30-2021 '000	Unaudited Six Months ended Jun-30-2020 '000	Audited Year ended Dec-31-2020 '000
Equity investments:			
Angostura Holdings Limited	5,550	(80,180)	12,335
One Caribbean Media Limited	(5,044)	(45,858)	(55,946)
Republic Financial Holdings Limited	209,828	351,696	160,132
Investment in subsidiary:			
Trinidad Generation Unlimited	633,820		
Other equity Investments:			
West Indian Tobacco Company Limited	(46,396)	(90,337)	(82,013)
	$797,758	**$135,321**	**$34,508**

8. Sinking Fund

As at June 30, 2021 the Sinking fund balance stood at $119.2 million. This fund was established to meet the principal repayment to bondholders in the years 2023, 2030 and 2038. The portfolio consists of investments in corporate and government bonds, mutual funds, short term certificate of deposits and treasury bill notes.

9. Semi-Annual Coupon Payment

On February 9 2021 the Company made its fifth coupon payment of $112.2 million to its bond holders via its Paying Agent – Trinidad and Tobago Central Depository, thereby bringing total interest distributions to $561.0 million. The sixth coupon payment is scheduled for August 9, 2021.

10. Bonds Credit Rating

On June 30, 2020 the Caribbean Information and Credit Rating Services Limited reaffirmed the Company's initial credit rating; giving a regional rating of CariAA, a national rating of ttAA, with a negative outlook.