



**SOVEREIGN TRUST
INSURANCE PLC.**

RC 31962

SUMMARY OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020.

**SUMMARY OF STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Dec. 2020 N'000	Dec. 2019 N'000
Assets		
Cash and cash equivalents	7,274,017	7,141,882
Investment securities	585,133	407,288
Trade receivables	747,407	536,990
Reinsurance assets	2,084,188	2,021,507
Other receivables and employments	227,155	276,002
Investment in associate	91,872	97,926
Investment properties	1,013,643	973,328
Intangible assets	2,763	6,123
Deferred acquisition costs	299,934	327,178
Right of use assets	63,000	-
Property, plant and equipment	1,549,186	1,328,152
Statutory deposit	315,000	315,000
Total assets	14,833,236	13,418,428
Liabilities and equity		
Liabilities		
Insurance contract liabilities	3,782,688	3,324,005
Borrowings	1,250,580	1,152,429
Trade payables	453,990	711,161
Other payables and accruals	148,092	77,057
Lease liabilities	63,379	-
Current income tax payable	990,097	159,455
Deferred tax liabilities	140,406	207,413
Total liabilities	6,207,137	5,631,820
Equity		
Ordinary share capital	5,882,248	5,882,248
Share premium	74,067	74,057
Contingency reserve	3,307,999	2,974,378
Revaluation reserve	390,500	225,103
Fair value reserve	251	14,213
Accumulated losses	(829,316)	(1,183,292)
Total equity	8,626,099	7,786,608
Total liabilities and equity	14,833,236	13,418,428

The full financial statements were approved by the Board of Directors on 16 March 2021 and signed on its behalf by:

Mr. Kayode Adigun (CFO) Mr. Olanrewaju Soyinka (MD/CEO) Mr. Oluwafemi O. Ajayi (Chairman)
 FRC/2013/CAN/0000000283 FRC/2013/CAN/0000002071 FRC/2013/CAN/0000000372

**SUMMARY OF STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020**

	Dec-20 N'000	Dec-19 N'000
Gross premium written	11,120,684	10,879,655
Gross premium income	11,284,087	10,714,286
Premiums ceded to reinsurers	(4,742,179)	(4,764,013)
Net premium income	6,541,908	5,950,273
Commission income	1,015,889	940,991
Net underwriting income	7,557,797	6,891,264
Net claims expenses	(3,485,778)	(2,209,130)
Underwriting expenses	(2,080,767)	(2,808,725)
Underwriting profit	1,991,252	2,073,391
Investment income	448,197	406,797
Fair value gain/loss on equity instruments	66,296	(12,480)
Revalued gain on equity instruments	26,553	8,075
Credit loss (recovery)/reversal	(18,064)	14,257
Fair value gain on investment properties	30,315	45,790
Other operating income	7,827	303,247
Management expenses	(1,740,696)	(1,887,755)
Result of operating activities	831,660	977,229
Share of profit from associate	3,886	6,462
Interest on borrowings	(20,459)	(164,810)
Profit before income tax	796,107	810,010
Income tax expense	(108,408)	(315,609)
Profit after income tax	687,699	500,381
Other comprehensive income:		
Items not to be reclassified to profit or loss in subsequent periods		
Revaluation gain on property and equipment, net of tax	163,457	-
Fair value loss on equity instruments at fair value through other comprehensive income	(13,662)	(6,181)
Other comprehensive income for the year, net of tax	151,795	(6,181)
Total comprehensive income for the year, net of tax	839,493	497,200
Earnings per share:		
Basic (kobo)	8.00	5.86
Diluted (kobo)	8.00	5.86

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOVEREIGN TRUST INSURANCE PLC.



Report of the Independent Auditors on the Summarised Financial Statements

To the Shareholders of Sovereign Trust Insurance Plc on the Summary Financial Statements.

OPINION

The summarised financial statements, which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income and statement of cash flows are derived from the audited financial statements of Sovereign Trust Insurance Plc ("the Company") for the year ended 31 December 2020.

In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and with the requirements of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011.

SUMMARISED FINANCIAL STATEMENTS

The summarised financial statements do not contain all the disclosures required by the International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council Act No. 6, 2011, applied in the preparation of the audited financial statements of the Sovereign Trust Insurance Plc ("the Company"). Reading the summarised financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial

statements and the auditor's report thereon. The summarised financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited financial statements in our report dated 19 March 2021. That report also includes the communication of key audit matters.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the summarised financial statements in accordance with the International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council Act No. 6, 2011.

INDEPENDENT AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summarised financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagement to Report on Summarised Financial Statements.

Ayodeji K. Olanrewaju, FCA
 FRC/2013/CAN/00000002431
 For: PKF Professional Services
 Chartered Accountants
 Lagos, Nigeria
 Date: 31 March 2021

