



**SOVEREIGN TRUST  
INSURANCE PLC.**  
RC 31962

## SUMMARY OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present the summary financial information of Sovereign Trust Insurance Plc ("the Company") for the year ended 31 December 2019. These summary financial information are derived from the full financial statements for the year ended 31 December 2019, and are not the full financial statements of the Company. The Company's Independent Auditors' issued an unqualified opinion on the full financial statements for the year ended 31 December 2019 from which these summary financial information were derived.

SUMMARY STATEMENT OF FINANCIAL POSITION			SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
AS AT 31 DEC 2019 in thousands of Nigerian Naira	31 December 2019	31 December 2018	FOR THE YEAR ENDED 31 DEC 2019 in thousands of Nigerian Naira	31 December 2019	31 December 2018
<b>Assets</b>			<b>Gross premium written</b>	<b>10,879,656</b>	<b>10,513,078</b>
Cash and cash equivalents	7,141,882	5,241,513	Gross premium income	10,714,266	10,338,077
Trade receivables	536,980	380,632	Premiums ceded to reinsurers	(4,764,013)	(5,276,700)
Investment securities	407,288	499,471	<b>Net premium income</b>	<b>5,950,253</b>	<b>5,061,377</b>
Reinsurance assets	2,021,507	1,872,344	Commission income	940,991	362,602
Deferred acquisition costs	327,178	226,893	Net underwriting income	6,891,244	5,423,979
Other receivables and prepayments	275,062	94,584	Net claims expenses	(2,209,130)	(1,787,492)
Investment in associate	87,926	81,434	Underwriting expenses	(2,608,723)	(1,713,520)
Investment properties	973,328	1,128,638	<b>Underwriting profit</b>	<b>2,073,391</b>	<b>1,922,967</b>
Intangible assets	6,123	12,239	Investment income	405,797	334,495
Property, plant and equipment	1,326,152	1,468,679	Fair value (loss)/gain on quoted equities	(12,480)	13,666
Statutory deposit	315,000	315,000	Realised loss on investment property	-	(7,000)
<b>Total assets</b>	<b>13,418,426</b>	<b>11,321,427</b>	Realised gain/(loss) on equities	9,075	(1,001)
<b>Liabilities and equity</b>			Credit loss reversal/(expense)	14,258	(1,325)
<b>Liabilities</b>			Share of profit from associate	6,492	10,256
Insurance contract liabilities	3,324,006	3,088,838	Fair value gain on investment properties	45,796	39,057
Bank overdrafts	-	327,941	Other operating income	309,247	1,000
Trade payables	711,161	759,081	Management expenses	(1,867,755)	(1,658,217)
Other payables and accruals	77,356	128,910	<b>Result of operating activities</b>	<b>983,821</b>	<b>653,898</b>
Current income tax payable	159,455	108,451	Finance costs		
Borrowing	1,152,429	973,360	Interest on borrowing	(164,810)	(88,487)
Retirement benefit obligation	-	105,569	Interest on bank overdrafts	-	(24,857)
Deferred tax liabilities	207,413	8,922	<b>Profit before income tax</b>	<b>819,011</b>	<b>540,554</b>
<b>Total Liabilities</b>	<b>5,631,820</b>	<b>5,501,072</b>	Income tax expense	(315,629)	(196,318)
<b>Equity</b>			<b>Profit after income tax</b>	<b>503,382</b>	<b>344,236</b>
Issued and paid-up share capital	5,682,248	4,170,412	<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>		
Share premium	74,057	116,843	Actuarial gain in defined gratuity scheme	-	19,175
Contingency reserve	2,974,378	2,647,988	Effect of tax @ 30%	-	(5,753)
Revaluation reserve	225,103	225,103		-	13,422
Fair value reserve	14,213	20,394	<b>Net gain on unquoted equity instruments at fair value through other comprehensive income</b>	<b>(6,181)</b>	<b>6,058</b>
Accumulated losses	(1,183,393)	(1,360,385)	<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>(6,181)</b>	<b>19,480</b>
<b>Total equity</b>	<b>7,786,606</b>	<b>5,820,355</b>	<b>Other comprehensive income for the year, net of tax'</b>	<b>(6,181)</b>	<b>19,480</b>
<b>Total liabilities and equity</b>	<b>13,418,426</b>	<b>11,321,427</b>	<b>Total comprehensive income for the year, net of Tax</b>	<b>497,201</b>	<b>363,716</b>
			<b>Basic and Diluted Earning Per Share (Kobo)</b>	<b>5.86</b>	<b>4.13</b>

The full financial statements were approved by the Board of Directors on 18 March 2020 and signed on its behalf by:

Oluseun O. Ajayi  
FRC/2013/CIIN/00000003373  
(Chairman)

Olaotan Soyinka  
FRC/2013/CIIN/00000002671  
(Managing Director/CEO)

Kayode Adigun  
FRC/2013/ICAN/00000002652  
(Chief Financial Officer)

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

### OPINION

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2019 and the summary statement of profit or loss and other comprehensive income are derived from the audited financial statements of Sovereign Trust Insurance Plc ("the Company") for the year ended 31 December 2019.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), the relevant provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, 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.

### SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the relevant provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, 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 summary 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 summary 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 unqualified opinion on the audited financial statements in our report dated 18 May 2020. That report also includes the communication of key audit matters which discussed the adequacy of the valuation of Insurance Contract Liabilities.

### DIRECTORS' RESPONSIBILITY FOR THE PREPARATION OF SUMMARY FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the summary financial statements in accordance with the International Financial Reporting Standards and the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and guidelines of the Financial Reporting Council Act No. 6, 2011.

### AUDITORS' RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

Our responsibility is to express an opinion on whether the summary 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) and Engagement to Report on Summary Financial Statements.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and Section 28(2) of the Insurance Act 2003, we confirm that:

\* We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

\* In our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;

\* The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

\* In accordance with the provisions of Section 28(2) of the Insurance Act 2003, the statement of financial position, statement of profit or loss and statement of other comprehensive income gives a true and fair view of financial position and financial performance of the Company.

Sayo Elumaro, FCA  
FRC/2012/ICAN/00000000139  
For: Ernst & Young  
Lagos, Nigeria  
18 May 2020



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