



SOVEREIGN TRUST INSURANCE PLC.


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
2021 AUDITED ACCOUNT FOR SOVEREIGN TRUST INSURANCE PLC.


STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

| | 2021 N'000 | 2020 N'000 |
|-------------------------------------|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | 7,982,828 | 7,274,017 |
| Investment securities | 1,700,920 | 565,133 |
| Trade receivables | 884,015 | 747,406 |
| Reinsurance assets | 2,314,111 | 2,684,186 |
| Other receivables and prepayments | 226,899 | 227,155 |
| Investment in associate | 92,131 | 91,812 |
| Investment properties | 1,014,708 | 1,013,643 |
| Intangible assets | 1,844 | 2,764 |
| Deferred acquisition costs | 394,242 | 299,936 |
| Right of use assets | 47,250 | 63,000 |
| Property, plant and equipment | 1,423,466 | 1,549,186 |
| Statutory deposit | 315,000 | 315,000 |
| Total Assets | 16,397,414 | 14,833,238 |
| Liabilities And Equity | | |
| Liabilities | | |
| Insurance contract liabilities | 3,961,511 | 3,762,566 |
| Borrowings | 1,714,241 | 1,250,580 |
| Trade payables | 678,224 | 453,993 |
| Other payables and accruals | 82,189 | 146,117 |
| Lease liabilities | 19,869 | 63,379 |
| Current income tax payable | 227,782 | 390,097 |
| Deferred tax liabilities | 96,368 | 140,408 |
| Total liabilities | 6,780,165 | 6,207,140 |
| Equity | | |
| Ordinary share capital | 5,682,248 | 5,682,248 |
| Share premium | 74,057 | 74,057 |
| Contingency reserve | 3,689,555 | 3,307,999 |
| Revaluation reserve | 390,560 | 390,560 |
| Fair value reserve | 16,947 | 551 |
| Accumulated losses | (236,138) | (829,316) |
| Total Equity | 9,617,229 | 8,626,099 |
| Total Liabilities And Equity | 16,397,414 | 14,833,239 |

The full financial statements were approved by the Board of Directors on 16 March 2022 and signed on its behalf by:


Mr. Oluseun O. Ajayi (Chairman)
FRC/2013/CBN/0000003373


Mr. Olatunji Goyinka (MD/CEO)
FRC/2013/CBN/0000002871


Mr. Kayode Adigun (CFO)
FRC/2013/CAN/0000002652

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

| | 2021 N'000 | 2020 N'000 |
|--|-------------------|-------------------|
| Gross premium written | 12,718,526 | 11,120,684 |
| Gross premium income | 12,488,771 | 11,284,087 |
| Premiums ceded to reinsurers | (5,212,431) | (4,742,179) |
| Net premium income | 7,276,340 | 6,541,908 |
| Commission income | 779,220 | 1,015,889 |
| Net underwriting income | 8,055,560 | 7,557,797 |
| Net claims expenses | (3,169,009) | (3,485,778) |
| Underwriting expenses | (2,472,716) | (2,080,767) |
| Underwriting profit | 2,413,835 | 1,991,252 |
| Investment income | 316,870 | 448,197 |
| Fair value gain on equity instruments | 23,695 | 86,296 |
| Realised gain on equity instruments | 195,732 | 26,553 |
| Credit loss reversal/(expense) | 11,355 | (18,064) |
| Fair value gain on investment properties | 1,065 | 30,315 |
| Other operating income | 207,074 | 7,827 |
| Management expenses | (2,066,565) | (1,740,696) |
| Result of operating activities | 1,103,061 | 831,680 |
| Share of profit from associate | 319 | 3,886 |
| Interest on borrowings | (217,623) | (39,459) |
| Profit before income tax | 885,757 | 796,107 |
| Income tax credit/(expense) | 88,977 | (108,409) |
| Profit after income tax | 974,734 | 687,698 |
| Other comprehensive income: | | |
| Items not to be reclassified to profit or loss in subsequent periods | | 165,457 |
| Revaluation gain on property and equipment, net of tax | (4,736) | (13,662) |
| Fair value loss on equity instruments at fair value through other comprehensive income | (4,736) | 151,795 |
| | 969,998 | 639,493 |
| Other comprehensive income for the year, net of tax | | |
| Total comprehensive income for the year, net of tax | | |
| Earnings per share: | | |
| Basic (kobo) | 11 | 8 |
| Diluted (kobo) | 11 | 8 |

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 2021, 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 2021.

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 with the audited financial statements, in accordance with International Financial Reporting Standards 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 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

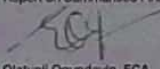
We expressed an unmodified audit opinion on the audited financial statements in our report dated 16 March 2022. That report also includes the communication of key audit matters.

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.


Olatunji Ogundeyin, FCA
FRC/2013/CAN/0000002224
For: PKF Professional Services
Chartered Accountants
Lagos, Nigeria

Date: 31 March 2022



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