

# **SOVEREIGN TRUST INSURANCE PLC**

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**30 SEPTEMBER 2025**

# **SOVEREIGN TRUST INSURANCE PLC**

## **FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025**

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# SOVEREIGN TRUST INSURANCE PLC

## FINANCIAL HIGHLIGHTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	SEPT.2025	SEPT.2024	%
	₦'000	₦'000	Chan
<b>Statement of Profit or Loss and Other Comprehensive Income</b>			
Insurance Revenue	40,133,653	33,410,714	20%
Insurance Service Expenses	18,307,308	10,921,188	-68%
Net Expenses From Reinsurance Contract Held	20,119,004	19,285,228	-4%
Insurance Service Result	1,707,341	3,204,298	-47%
Investments Return	1,376,952	807,276	71%
Net Finance Result	15,000	(110,917)	-114%
Profit Before Income Tax	301,655	1,701,715	-82%
Profit After Income Tax	256,407	1,496,458	-83%
<b>Statement of Financial Position</b>			
Total Assets	26,124,882	24,472,379	7%
Total Liabilities	11,985,632	10,101,650	19%
Total Equity	14,139,250	14,316,162	-1%
<b>Per Share Data:</b>			
Basic Earnings Per Share (Kobo)	2	7	-68%

# SOVEREIGN TRUST INSURANCE PLC

## FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

### CERTIFICATION PURSUANT TO SECTION 6 0(2) OF INVESTMENT AND SECURITIES ACT NO. 29 of 2007

We the undersigned hereby certify the following with regards to our financial statements for the year ended 30 June 2025 that:

- a) We have reviewed the report;
- b) To the best of our knowledge, the report does not contain:
  - i) Any untrue statement of a material fact, or
  - ii) Omit to state a material fact, which would make the financial statements misleading in the light of circumstances under which such statements were made;
- c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the years presented in the report.
- d) We:
  - (i) Are responsible for establishing and maintaining internal controls.
  - (ii) Have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within those entries particularly during the period in which the periodic reports are being prepared;
  - (iii) Have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
  - (iv) Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- e) We have disclosed to the auditors of the Company and Finance, Investment and General-Purpose Committee:
  - (i) All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
  - (ii) Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;
- f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

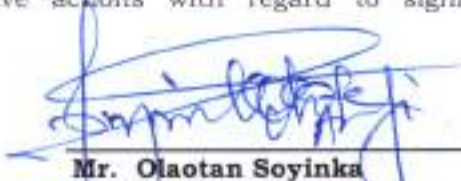


**Mr. Kayode Adigun**

Chief Financial Officer

FRC/2013/ICAN/00000002652

**Dated: 29th October,2025**



**Mr. Olaotan Soyinka**

Managing Director/CEO

FRC/2013/CIIN/00000002671

**Dated: 29th October,2025**

## SOVEREIGN TRUST INSURANCE PLC

### CERTIFICATION PURSUANT TO SECTION 60 (2) OF INVESTMENT AND SECURITIES ACT NO. 29 of 2007 FOR THE PERIOD ENDED 30 SEPTEMBER 2025

I, OLAOTAN SOYINKA hereby certify the following with regards to our financial statements for the year ended 30 September 2025 that:

- a) I have reviewed the report;
- b) To the best of my knowledge, the report does not contain:
  - i) Any untrue statement of a material fact, or
  - ii) Omit to state a material fact, which would make the financial statements misleading in the light of circumstances under which such statements were made;
- c) To the best of my knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the years presented in the report.
- d) I:
  - (i) am responsible for establishing and maintaining internal controls.
  - (ii) Have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within those entries particularly during the period in which the periodic reports are being prepared;
  - (iii) Have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
  - (iv) Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- e) I have disclosed to the auditors of the Company and Finance, Investment and General-Purpose Committee:
  - (i) All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
  - (ii) Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;
- f) I have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Mr. Olaotan Soyinka

Managing Director/CEO

FRC/2013/CIIN/00000002671

Dated: 29th October, 2025

# SOVEREIGN TRUST INSURANCE PLC

CERTIFICATION PURSUANT TO SECTION 60 (2) OF INVESTMENT AND SECURITIES ACT NO. 29  
of 2007

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

I, KAYODE ADIGUN hereby certify the following with regards to our financial statements for the year ended 30 September 2025 that:

- a) I have reviewed the report;
- b) To the best of my knowledge, the report does not contain:
  - i) Any untrue statement of a material fact, or
  - ii) Omit to state a material fact, which would make the financial statements misleading in the light of circumstances under which such statements were made;
- c) To the best of my knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the years presented in the report.
- d) I:
  - (i) am responsible for establishing and maintaining internal controls.
  - (ii) Have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within those entries particularly during the period in which the periodic reports are being prepared;
  - (iii) Have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report.
  - (iv) Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- e) I have disclosed to the auditors of the Company and Finance, Investment and General-Purpose Committee:
  - (i) All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
  - (ii) Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;
- f) I have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

**Mr. Kayode Adigun**

Chief Financial Officer

FRC/2013/ICAN/00000002652

**Dated: 29th October, 2025**

# **SOVEREIGN TRUST INSURANCE PLC**

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025**

### **1. Corporate information**

Sovereign Trust Insurance Plc ("The Company") was incorporated as a limited liability company on 26 February 1980, but was reorganized and commenced business as a reorganized non-life insurance company on 2 January 1995 with an authorized share capital of ₦30 million and a fully paid up capital of the ₦20 million following the acquisition and recapitalization of the then Grand Union Assurance Limited. The Company was listed on the Nigerian Stock Exchange on 29 November 2006.

Sovereign Trust Insurance Plc is regulated by the National Insurance Commission of Nigeria.

The principal activity of the Company continues to be the provision of all classes of non-life insurance and special risk insurance, settlement of claims and Insurance of Policyholders' Fund. The Company's head office is at 17, Ademola Adetokunbo Street, Victoria Island, Lagos with 17 other branches spread across major cities.

### **2. Summary of significant accounting policies**

#### **2.1 Introduction to summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### **2.2 Basis of preparation**

##### **2.2.1 Basis for measurement**

The preparation of these financial statements have been based on historical cost basis except for the undermentioned areas which are measured on an alternative basis on each reporting date:

- Equity instruments at fair value through profit or loss measured at fair value
- Debt securities at amortised cost
- Equity instrument at fair value through other comprehensive income
- Investment properties measured at fair value
- Land and buildings are carried at revalued amount.
- Insurance contract liabilities measured at present value of projected cash flows

# **SOVEREIGN TRUST INSURANCE PLC**

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025**

### **2.2.2 Statement of compliance with IFRS**

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and IFRS Interpretations Committee (IFRIC) for Interpretations applicable to companies reporting under IFRS and in the manner required by the Companies and Allied Matters Act, 2020, the Financial Reporting Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission (NAICOM) Circulars and Guidelines.

In accordance with IFRS 4 Insurance Contracts, the Company has applied existing accounting policies for Non-life insurance contracts, modified as appropriate to comply with the IFRS framework.

The preparation of financial statements in conformity with IFRS requires the Company's Board of Directors to exercise its judgment in applying the Company's accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions or estimates are significant to the financial statements are as disclosed in Note 3.

The financial statements of Sovereign Trust Insurance Plc have been prepared on a going concern basis. The Directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

### **2.3 Presentation currency**

The financial statements are presented in Nigerian Naira (₦) and are rounded to the nearest thousand unless otherwise stated.

### **2.4 Foreign currencies**

#### **Transactions and balances**

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

# **SOVEREIGN TRUST INSURANCE PLC**

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of a gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

### **Functional currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The Company is incorporated in Nigeria and has adopted the Naira as its functional currency.

### **2.5.1 Summary of Standards and Interpretations effective for the first time**

#### **2.5.1.1. Amendments to IAS 16 - Proceeds before intended use**

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Early application is permitted. It amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The Company does not expect these amendments to have impact on its financial statements when it becomes effective.

#### **2.5.1.2. Amendments to IAS 37 - Onerous contracts - Cost of fulfilling a contract**

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Early application is permitted.

# SOVEREIGN TRUST INSURANCE PLC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025

The changes in Onerous Contracts - Cost of Fulfilling a Contract specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The Company will not be affected by these amendments on the date of transition.

### **2.5.1.3. Amendments to IFRS 16 - COVID-19-related rent concessions**

The amendment is effective for annual reporting periods beginning on or after 1 June 2021. Earlier application is permitted, including in financial statements not yet authorised for issue at 28 May 2021. The amendment is also available for interim reports. The changes in Covid-19-Related Rent Concessions (Amendment to IFRS 16) amend IFRS 16 to:

- provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification;
- require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications;
- require lessees that apply the exemption to disclose that fact; and require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior period figures.

The main change from the proposal in the exposure draft is that the IASB had proposed that the practical expedient should only be available for lease payments originally due in 2021. However, after having considered the feedback to the exposure draft, the IASB decided to extend this period to June 2021 to also capture rent concessions granted now and lasting for 12 months.

The Company does not expect these amendments to have impact on its financial statements when they become effective.

# SOVEREIGN TRUST INSURANCE PLC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025

### **2.5.1.4. Amendments to IFRS 3 - Reference to the conceptual framework**

Minor amendments were made to IFRS 3 Business Combinations to update the reference to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provision. Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

The effective date is 1 January 2022.

The amendment will have no material effect on the Company's financial statements.

### **2.5.1.5. Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

The Company will apply these amendments when they become effective.

### **2.5.1.6. Annual Improvements to IFRS Standards 2018 - 2020**

The following Improvements were finalised in May 2020:

- IFRS 9 Financial Instruments - clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases - To remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

The effective date is 1 January 2022.

# SOVEREIGN TRUST INSURANCE PLC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025

### 2.5.2 Standards Issued and Effective on or after 1 January 2023

#### a) IFRS 17 Insurance Contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. This standard replaces IFRS 4 – Insurance contracts.

The key principles in IFRS 17 are that an entity:

- a). identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain, future event (the insured event) adversely affects the policyholder;
- b). separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- c). divides the contracts into groups it will recognise and measure;
- d). recognises and measures groups of insurance contracts at a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all the available information about the fulfilment cash flows in a way that is consistent with observable market information plus (if this value is a liability) or minus (if this value is an asset) an amount representing the unearned profit in the group of contracts (the contractual service margin);
- e). recognises the profit from a group of insurance contracts over the period the entity provides insurance coverage, and as the entity is released from risk, if a group of contracts is or becomes loss-making, an entity recognises the loss immediately;
- f). presents separately insurance revenue, insurance service expenses and insurance finance income or expenses;
- g) discloses information to enable users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of the entity. To do this, an entity discloses qualitative and quantitative information about:
  - the amounts recognised in its financial statements from insurance contracts;
  - the significant judgements, and changes in those judgements, made when applying the Standard; and
  - the nature and extent of the risks from contracts within the scope of this Standard.

# SOVEREIGN TRUST INSURANCE PLC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025

### 2.5.3 Narrow Scope Amendments deferred until further notice

#### a) IFRS 10 consolidated financial statements

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

#### b) IAS 28 Investments in Associates and Joint Ventures

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

### 2.5.4 New standards, amendments and interpretations issued but without an effective date

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but without an effective: This includes:

#### **Amendments to IFRS 10 and IAS 28 consolidated financial statements and Investments in Associates and Joint Ventures**

Amends IFRS 10 consolidated financial statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- Require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations);
- Require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

# SOVEREIGN TRUST INSURANCE PLC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025

### **2.6 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments. These assets are readily convertible into known amounts of cash.

#### **2.6.1 Cash and cash equivalents for the purpose of Statement of Cashflow**

The cash and cash equivalents for the purpose of the statement of cashflow comprise of cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less and bank overdraft.

### **2.7 Financial assets**

#### **2.7.1. Initial recognition and measurement**

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies on Revenue from noninsurance contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cashflows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cashflows. The business model determines whether cashflows will result from collecting contractual cashflows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

# SOVEREIGN TRUST INSURANCE PLC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025

### **a. Business model assessment**

There are three business models available under IFRS 9:

- Hold to collect Financial assets with objective to collect contractual cashflows.
- Hold to Collect and sell (Financial assets held with the objective of both collecting contractual cashflows and selling financial assets).
- Other Financial Assets held with trading intent or that do not meet the criteria of either "Hold to Collect" or "Hold to Collect and sell."

The Assessment of the business model requires judgment based on the facts and circumstances as at the date of the assessment. Sovereign Trust Insurance Plc has considered quantitative factors (e.g. expected frequency and volume of sales) and qualitative factors such as how the performance of the business model and financial assets held within the business model are evaluated and reported to management; the risk that affect the performance of the business, model and the financial assets held within the business model. In particular, the way in which those risks are managed; and how management received returns on the assets (i.e. whether the returns are based on fair value of the assets managed or on contractual cashflows collected).

### **b. Solely payments of principal and interest (SPPI)**

If a financial asset is held in either a Hold to Collect or Hold to Collect and Sell model, then an assessment is determined whether contractual cashflows are solely payments of principal and interest on principal amount outstanding at initial recognition is required to determine the classification.

Contractual cashflows that are SPPI on the principal amount outstanding are considered as basic lending arrangement with interest as consideration for the time value of money and the credit risk associated with the principal amount outstanding during the tenor of the agreed arrangement. Other basic lending risks like liquidity risk and cost of administration associated with holding the financial asset for the specified tenor and the profit margin that is consistent with a basic lending arrangement.

# SOVEREIGN TRUST INSURANCE PLC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025

### 2.7.2. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

#### **a. Financial assets at amortised cost (debt instruments)**

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cashflows
- The contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes debt instruments (bonds), fixed deposits with banks and others.

#### **b. Financial assets at fair value through OCI (debt instruments)**

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cashflows and selling and
- The contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

# SOVEREIGN TRUST INSURANCE PLC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. During the year under consideration, the Company does not have any debt instruments at fair value through OCI.

### **c. Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Company elected to classify irrevocably its non-listed equity investments under this category.

### **d. Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cashflows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in profit or loss when the right of payment has been established.

### **2.7.3. Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar

# **SOVEREIGN TRUST INSURANCE PLC**

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025**

financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cashflows from the asset have expired Or
- The Company has transferred its rights to receive cashflows from the asset or has assumed an obligation to pay the received cashflows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cashflows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

# SOVEREIGN TRUST INSURANCE PLC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025

### **2.7.4. Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cashflows will include cashflows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For debt instruments at amortised cost, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the credit rating of the debt instrument by international credit rating agencies like S&P, Moodys and Fitch as well as local ratings by Augusto and Co. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. Where the credit risk of any bond deteriorates, the Company will sell the bond and purchase bonds meeting the required investment grade.

The Company's debt instruments at amortised cost comprise solely of quoted bonds that are graded in the top investment category and the credit ratings are tracked by the finance and investment teams via publications by International Credit Rating Agencies and trading exchange platforms.

The Company's fixed income investment portfolio consists of Investment grade and high speculative bonds and, therefore, are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the International Credit Rating Agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

# SOVEREIGN TRUST INSURANCE PLC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cashflows.

Further disclosures relating to impairment of financial assets are also provided in the following:

- Disclosures for significant estimates Judgements and assumptions - Note 3;
- Financial assets at amortised cost;
- Other receivables and prepayments.

### **2.7.5. Write off**

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The Company categorises its receivables for write-off when a debtor fails to make contractual payments greater than 360 days past due. Where financial assets have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The gross carrying amount of an asset is written off (either fully or partially) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cashflows to repay the amount subject to write off. However, the financial assets that are subjected to write-off could still be subject to enforcement activities in other to comply with the Company's procedures for recovery of amount due.

### **2.7.6. Financial liabilities and equity instruments**

#### **2.7.6.1 Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

# SOVEREIGN TRUST INSURANCE PLC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025

### **2.7.6.2 Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised as the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### **2.7.6.3 Financial liabilities**

#### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company does not have any financial liability that is measured at fair value through profit or loss during the period under review.

### **2.7.6.4 Other financial liabilities**

#### **2.7.6.4.1. Subsequent measurement**

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **2.7.6.4.2 Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are extinguished- i.e. when the obligation specified in the contract is discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

# SOVEREIGN TRUST INSURANCE PLC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

### **2.7.6.4.3 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **2.8 Other assets**

Other receivables principally consist of prepayments, accrued income and sundry debtors and are carried at amortised cost.

### **2.9 Reinsurance contracts**

The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outwards reinsurance premiums are accounted for in the same period as the related premiums for the direct or inwards reinsurance business being reinsured.

#### **2.9.1 Reinsurance assets**

Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses and ceded policy claims. Reinsurance assets are measured consistently with the amounts associated with the underlying insurance contracts and in accordance with the terms of the reinsurance contract. Reinsurance is recorded as an asset unless a right of set-off exists, in which case the associated liabilities are reduced to take account of reinsurance.

#### **Reinsurance assets are subject to impairment testing when and only when:**

- a) there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the cedant may not receive all amounts due to it under the terms of the contract; and

# **SOVEREIGN TRUST INSURANCE PLC**

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025**

b) that event has a reliably measurable impact on the amounts that the cedant will receive from the reinsurer.

The carrying amount is reduced to its recoverable amount when there is an impairment loss. The impairment loss is recognised as an expense in the profit or loss. The asset is impaired if objective evidence is available to suggest that it is probable that the Company will not be able to collect the amounts due from reinsurers.

### **2.9.2 Reinsurance recoveries**

Reinsurance recoveries in respect of Incurred but not reported (IBNR) claims are assumed to be consistent with the historical recoveries on paid and outstanding claims, adjusted to reflect changes in the nature and extent of the Company's reinsurance programmes. An assessment is made of the recoverability of reinsurance having regard to available data on the financial strength of the reinsurance companies. Gains or losses on buying reinsurance are recognised in income at the date of purchase and are not amortised.

### **2.9.3 Reinsurance liabilities**

Reinsurance liabilities comprise premiums payable for outwards reinsurance contracts and are recognised as an expense when due.

Reinsurance liabilities are derecognized when, and only when, it is extinguished - i.e. when the obligation specified in the contract is discharged or cancelled or expires.

### **SECURITY TRADING POLICY**

In compliance with Rule 17.15 Disclosure of Dealing in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Sovereign Trust Insurance Plc maintains effective Security Trading Policy which guides Director, Audit Committee members employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. Sovereign Trust Insurance Plc has made specific inquiries of all the directors and other insiders and is not aware of any infringement of policy during the period

# SOVEREIGN TRUST INSURANCE PLC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 30 SEPTEMBER 2025

SOVEREIGN TRUST INSURANCE PLC				
Shareholding Structure/ Free Float Status				
Description	30-Sep-25		30-Sep-24	
	Units	Percentages	Units	Percentage
Issued Share Capital	14,228,139,483	100%	14,228,139,483	100%
<b>Substantial Shareholding (5% and above)</b>				
MORNING SIDE CAPITAL PARTNERS LTD	-	-	2,499,000,000	17.56%
NEW EAGLE MILLENIUM LIMITED	4,087,735,590	28.73%	-	-
SOVEREIGN INVESTMENTS LIMITED	-	0%	1,055,850,018	7.42%
TEEOF HOLDINGS LIMITED	881,572,742	6.20%	881,572,742	6.20%
TRIPPLE TEES ENDOWMENT LIMITED	1,677,092,624	11.79%	1,791,346,735	12.59%
AJAYI OLUSEUN O.	244,104,573	1.72%	1,166,156,859	8.20%
STRICKLAND ASSETS AND COMMODITIES	1,400,000,000	9.84%		0.00%
RANDWAVES LTD	-	0.00%	1,218,341,894	8.56%
<b>Total Substantial Shareholdings</b>	<b>8,290,505,529</b>	<b>58%</b>	<b>8,612,268,248</b>	<b>61%</b>
<b>Directors' Shareholdings (direct and indirect),</b>				
MR. OLAOTAN SOYINKA	68,298,960	0.48%	68,298,960	0.48%
MRS. UGOCHI ODEMELAM	8,419,351	0.06%	8,419,351	0.06%
MR. ABIMBOLA OGUNTUNDE	335,414	0.00%	335,414	0.00%
MS. EMI FALOUGHI	27,024,097	0.19%	27,024,097	0.19%
MR. KAYODE ADIGUN	54,878,606	0.39%	54,878,606	0.39%
MR. EMMANAUEL ANIKIBE	0	0.00%	0	0.00%
<b>Total Directors' Shareholdings</b>	<b>158,956,428</b>	<b>1%</b>	<b>158,956,428</b>	<b>1.12%</b>
<b>Other Influential Shareholdings</b>				
OTHERS	-	-	-	-
<b>Total Other Influential Shareholdings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Free Float in Units and Percentage</b>	<b>5,778,677,526</b>	<b>40.6%</b>	<b>5,456,914,807</b>	<b>38%</b>
<b>Free Float in Value</b>	<b>3,467,206,516</b>	<b>-</b>	<b>3,467,206,516</b>	

## SOVEREIGN TRUST INSURANCE PLC

STATEMENT OF FINANCIAL POSITION		GROUP	COMPANY	
	Note	Sept. 2025 N000	Sept. 2025 N000	Dec. 2024 N000
<b>ASSETS</b>				
Cash and cash equivalents	12	5,074,049	5,062,848	13,156,888
<b>Investment in financial assets:</b>	13			
-Measure at fair value through profit or loss	13.1	1,968,254	1,968,254	1,412,978
-Measure at fair value through other comprehensive income	13.2	783,384	783,384	783,384
-Measure at amortized cost	13.3	1,650,133	1,650,133	2,455,752
Investment in subsidiary	14	-	232,772	232,772
Premium receivable	15	3,986,169	3,986,169	1,842,948
Reinsurance contract assets	16	6,562,363	6,562,363	2,862,571
Other receivables and prepayments	17	1,571,471	960,179	573,729
Investment properties	18	1,347,398	1,347,398	1,347,398
Intangible assets	19	17,661	17,661	13,980
Right of use assets	20.1	518,527	474,558	263,522
Property plant and equipment	21	2,796,193	2,764,163	2,704,754
Statutory deposit	22	315,000	315,000	315,000
<b>Total assets</b>		<b>26,590,603</b>	<b>26,124,883</b>	<b>27,965,676</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Insurance contract liabilities	24	7,018,265	7,018,265	6,499,696
Borrowing	25	4,790,042	4,765,998	4,967,271
Other payables and accruals	27	157,893	17,094	251,357
Lease liabilities	20.2	13,391	13,391	202,681
Current income tax payable	23.1	60,043	60,043	249,796
Deferred tax liabilities	23.2	116,013	110,840	225,840
<b>Total liabilities</b>		<b>12,155,648</b>	<b>11,985,632</b>	<b>12,396,641</b>
<b>Equity</b>				
Ordinary share capital	28	7,114,069	7,114,069	7,114,069
Share premium	29	33,814	33,814	33,814
Contingency reserve	30	7,250,990	7,250,990	6,016,078
Revaluation reserve	31	979,023	979,023	979,023
Insurance finance reserve	32	(1,378,983)	(1,378,984)	(404,199)
Credit risk reserves		30,435	-	-
Statutory reserve fund		25,934	-	-
Fair value reserve	33	138,560	138,559	138,558
Retained earning	34	118,283	1,779	1,691,692
<b>Shareholders fund</b>		<b>14,312,125</b>	<b>14,139,250</b>	<b>15,569,035</b>
Non Controlling Interest		122,830	-	-
<b>Total equity</b>		<b>14,434,955</b>	<b>14,139,250</b>	<b>15,569,035</b>
<b>Total Equity And Liabilities</b>		<b>26,590,603</b>	<b>26,124,883</b>	<b>27,965,676</b>

The financial statements and accompanying summary of accounting policies and notes to the financial statement and were approved and authorised for issue by the Board of Directors on 30th October, 2025 and signed on its behalf by:

  
 Mr. Simo Oguntunde  
 Chairman  
 FRC/2013/AM/0000003361

  
 Mr. Olasun Soyinka  
 Managing Director/CEO  
 FRC/2013/CIS/000002671

  
 Mr. Kayode Adigun  
 Chief Financial Officer  
 FRC/2013/ICAR/0000002652

## SOVEREIGN TRUST INSURANCE PLC

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		GROUP	COMPANY	
	Note	Sept. 2025	Sept. 2025	Sept. 2024
Insurance Revenue	5	40,133,653	40,133,653	33,410,714
Insurance Service Expenses	5	(18,307,308)	(18,307,308)	(10,921,188)
Net Expenses from Reinsurance Contracts Held	5	(20,119,004)	(20,119,004)	(19,285,228)
<b>Insurance Service Result</b>		<b>1,707,341</b>	<b>1,707,341</b>	<b>3,204,298</b>
Income from Subsidiary		130,418		
<b>Investments Income</b>	6	1,399,276	1,376,952	807,276
Net Credit Impairment Losses	8	-	-	(55,258)
Other Operating Expenses	5.1	(3,064,748)	(2,998,911)	(2,143,684)
Finance Expenses from Insurance Contracts Issued	7.1	(21,090)	(21,090)	(168,956)
Finance Income from Reinsurance Contracts Issued	7.2	36,091	36,091	58,039
		<b>187,288</b>	<b>100,382</b>	<b>1,701,715</b>
Asset Management Services Revenue				
Other Finance Costs	9	(619)	-	
Other Income	12	201,273	201,273	
Share Of Profit Of Associates And Joint Ventures Accounted For Using The Equity Method				
<b>Profit Before Income Tax</b>		<b>387,942</b>	<b>301,655</b>	<b>1,701,715</b>
Income Tax Expense	10	(71,134)	(45,248)	(205,257)
<b>Profit After Income Tax</b>		<b>316,808</b>	<b>256,407</b>	<b>1,496,458</b>
Other Comprehensive Income				
Items that may be Reclassified Subsequently to Profit or Loss				
Net Finance Expenses from Insurance Contracts		(488,106)	(488,106)	125,084
Net Finance Income from Reinsurance Contracts		(486,679)	(486,679)	(305,058)
<b>Other Comprehensive Income for The Period</b>		<b>(974,785)</b>	<b>(974,785)</b>	<b>(179,974)</b>
<b>Total Comprehensive Income for The Period</b>		<b>(657,977)</b>	<b>(718,378)</b>	<b>1,316,484</b>
Profit attributable to:				
Owners of the parent		299,770		
Non controlling interest		17,038		
<b>EPS</b>	11	2	2	11

## SOVEREIGN TRUST INSURANCE PLC

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPT 2025

	Ordinary share capital	Share premium	Contingency reserve	Revaluation reserve	Fair value reserve	Insurance finance reserve	Retained earnings	Total equity
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 January 2025	7,114,069	33,814	6,016,078	979,023	138,559	(404,199)	1,691,691	15,569,035
At 1 January 2025	<u>7,114,069</u>	<u>33,814</u>	<u>6,016,078</u>	<u>979,023</u>	<u>138,559</u>	<u>(404,199)</u>	<u>1,691,691</u>	<u>15,569,035</u>
Profit after income tax for the period	-	-	-	-	-	-	256,407	256,407
<b>Total comprehensive income for the period</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transaction directly affecting equity holders</b>								
Transfer between reserves	-	-	1,234,912	-	-	-	(1,234,912)	-
Dividend paid							(711,407)	(711,407)
Transfer to Insurance Finance Reserve						(974,785)		(974,785)
At 30 June. 2025	<u>7,114,069</u>	<u>33,814</u>	<u>7,250,990</u>	<u>979,023</u>	<u>138,559</u>	<u>(1,378,984)</u>	<u>1,779</u>	<u>14,139,250</u>

**SOVEREIGN TRUST INSURANCE PLC**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPT 2025**

		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>₹'000</b>	<b>₹'000</b>
<b>Operating Activities:</b>			
Insurance Revenue	5	41,183,653	33,410,714
Insurance Service Expenses	5	(18,307,308)	(10,921,188)
Net Expenses from Reinsurance Contracts Held	5.0	(20,119,004)	(19,285,228)
Cash Paid to and on Behalf of Employees		(1,384,749)	(1,265,138)
Other Operating Cash Payment		(1,456,823)	(736,333)
Interest Income	6	1,381,138	807,276
Other Income	6	-	-
Payment for the Year	26.1	(71,134)	(205,257)
<b>Net Cash Flows from Operating Activities</b>	<b>35</b>	<b><u>1,225,774</u></b>	<b><u>1,804,846</u></b>
<b>Investing Activities:</b>			
Purchase Of Property, Plant and Equipment	25	(142,523)	(632,394)
Purchase Of Intangible Assets	22	(8,001)	(23,251)
Purchase of Quoted Stock	16.3	(1,562,421)	(578,840)
Proceed Of Debt Instruments At Amortised Cost		-	158,608
Purchase Of Equity Instrument FVTOCI	16.3	-	(327,484)
Payment to Investment Associates	16.3	-	(25,000)
Proceeds From Disposal Of Quoted Stock	16.3	1,007,144	-
<b>Net Cash Flows from Investing Activities</b>		<b><u>(705,800)</u></b>	<b><u>(1,428,361)</u></b>
<b>Financing Activities:</b>			
Repayment of lease liabilities		(189,290)	(46,674)
<b>Net Cash Flows from Financing Activities</b>		<b><u>(189,290)</u></b>	<b><u>(46,674)</u></b>
<b>Net Increase In Cash And Cash Equivalents</b>		<b>330,683</b>	<b>329,811</b>
Cash and Cash Equivalents At 1 January		4,732,165	6,290,425
<b>Cash and Cash Equivalents At 30 September, 2025</b>		<b><u>5,062,848</u></b>	<b><u>6,620,236</u></b>

The accompanying summary of significant accounting policies and notes to the financial statements a

# SOVEREIGN TRUST INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	GROUP	COMPANY	
	2,025	2,025	2024
	₹'000	₹'000	₹'000
<b>5. Insurance Revenue</b>			
Net Liability For Remaining Coverage	(1,030,068)	(1,030,068)	603,843
Interest Accreted (Incl. Change Of Rates) To Insurance Contracts	-	-	(301,564)
Premiums Received	41,163,721	41,163,721	33,108,435
	<u>40,133,653</u>	<u>40,133,653</u>	<u>33,410,714</u>
<b>5. Insurance Service Expense</b>			
Net Liabilities On Incurred Claim	(3,217,440)	(3,217,440)	(1,935,626)
Interest Accreted (Incl. Change Of Rates) To Insurance Contracts	(107,813)	(107,813)	(951,974)
Amortisation Of Insurance Acq. Cash Flows	(9,851,184)	(9,851,184)	(5,364,861)
Claims And Other Expenses Paid (5.1)	(5,130,870)	(5,130,870)	(2,668,727)
	<u>(18,307,308)</u>	<u>(18,307,308)</u>	<u>(10,921,188)</u>
<b>5.1</b>			
Gross Claims Paid	5,130,870	5,130,870	2,668,727
Other Operating Expenses	2,998,911	2,998,911	2,143,684
	<u>8,129,781</u>	<u>8,129,781</u>	<u>4,812,410</u>
<b>5. Net Expenses From Reinsurance Contracts Held</b>			
Net Liabilities For Reinsurance Contracts	(874,900)	(874,900)	(1,441,543)
Interest Accreted	(620,893)	(620,893)	(1,932,048)
Premiums Ceded	(18,429,927)	(18,429,927)	(14,624,869)
	<u>(19,925,721)</u>	<u>(19,925,721)</u>	<u>(17,998,460)</u>
<b>Amounts Recoverable From Reinsurers For Incurred Claims</b>			
Net Changes In Reinsurance Recoverable	(1,478,766)	(1,478,766)	(1,518,579)
Interest Accreted	-	-	(670,834)
Reinsurance Recovery	1,285,483	1,285,483	902,645
	<u>(193,283)</u>	<u>(193,283)</u>	<u>(1,286,768)</u>
Net Expenses From Reinsurance Contracts Held	<u>(20,119,004)</u>	<u>(20,119,004)</u>	<u>(19,285,228)</u>

**5.1.1 Other Operating Expenses**

Employee Benefits Expense (Note 5.1.2)	1,384,749	1,384,749	792,423
Other Expenses (Note 5.1.3)	1,456,823	1,456,823	736,333
Depreciation On Property, Plant And Equipment	83,152	83,152	50,301
Amortisation Of Righ-Of-Use- Assets	34,525	34,525	35,857
Directors Fee And Allowance	35,344	35,344	26,917
Other Expenses- Subsidiary	65,836		-
Amortisation Of Intangible Assets	4,320	4,320	29,338
	<b><u>3,064,748</u></b>	<b><u>2,998,911</u></b>	<b><u>1,671,169</u></b>

**5.1.2 Employee Benefits Expense**

Salaries and Wages	1,289,261	1,289,261	1,194,195
Defined Contribution Pension Costs	95,488	95,488	70,943
	<b><u>1,384,749</u></b>	<b><u>1,384,749</u></b>	<b><u>1,265,138</u></b>

**5.1.3 Other Expenses**

1 Advertising	<b>123,030</b>	<b>123,030</b>	70,598
2 Bank charges	<b>83,835</b>	<b>83,835</b>	86,603
3 Rent And Rate	<b>51,287</b>	<b>51,287</b>	28,631
4 Fuel, electricity and energy	<b>120,333</b>	<b>120,333</b>	88,410
5 Insurance	<b>63,302</b>	<b>63,302</b>	60,644
6 Staff training and education	<b>56,604</b>	<b>56,604</b>	16,411
7 NAICOM levy	<b>362,187</b>	<b>362,187</b>	130,685
8 Transport and travelling expenses	<b>49,783</b>	<b>49,783</b>	14,428
9 Staff Medical Expenses	<b>107,360</b>	<b>107,360</b>	-
11 Data processing	<b>36,568</b>	<b>36,568</b>	31,508
12 Automobile expenses	<b>55,117</b>	<b>55,117</b>	19,660
13 Office building maintenance and security	<b>36,871</b>	<b>36,871</b>	23,103
14 Professional fees	<b>121,301</b>	<b>121,301</b>	33,889
15 Telephone Expenses	<b>4,868</b>	<b>4,868</b>	4,500
16 Annual General Meeting Expenses	<b>31,077</b>	<b>31,077</b>	18,640
17 Forms and printing expenses	<b>37,344</b>	<b>37,344</b>	22,966
18 Contribution to I.T.F. levy	<b>21,222</b>	<b>21,222</b>	15,218
19 Office And Stationery Expenses	<b>16,775</b>	<b>16,775</b>	11,909
20 Contribution to NSITF	<b>10,897</b>	<b>10,897</b>	9,483
21 Equipment maintenance and repairs	<b>16,244</b>	<b>16,244</b>	7,977
22 Hotel accommodation	<b>11,187</b>	<b>11,187</b>	6,253
23 Contribution to NHF	<b>11,051</b>	<b>11,051</b>	8,438
24 Periodicals and books	<b>2,668</b>	<b>2,668</b>	2,121
25 Tax Consultancy Expenses	<b>300</b>	<b>300</b>	492
26 Courier and postages expenses	<b>4,387</b>	<b>4,387</b>	2,884
27 Entertainment	<b>8,341</b>	<b>8,341</b>	3,701
28 Local government dues	<b>1,951</b>	<b>1,951</b>	1,904
29 Security Exchange Commission and NGX	-	-	3,744
30 Contributions and donations	<b>7,000</b>	<b>7,000</b>	4,750
33 Club membership and subscriptions	<b>3,933</b>	<b>3,933</b>	4,895
34 Staff uniforms	-	-	1,890
	<b><u>1,456,823</u></b>	<b><u>1,456,823</u></b>	<b><u>736,333</u></b>

# SOVEREIGN TRUST INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	GROUP	COMPANY	
	<b>2025</b>	<b>2025</b>	<b>2024</b>
	₹'000	₹'000	₹'000
<b>6. Investments Return</b>			
<b>6.1 Interest Revenue</b>			
Interest Revenue	644,622	622,298	712,780
	<u>644,622</u>	<u>622,298</u>	<u>712,780</u>
<b>6.2 Net Fair Value Gain On Financial Assets At Fair Value Through Profit Or Loss</b>			
Net Fair Value Gain On Financial Assets At Fair Value Through Profit Or Loss	754,654	754,654	94,497
<b>Investment Income</b>	<u>1,399,276</u>	<u>1,376,952</u>	<u>807,276</u>
<b>7. Finance Expense For Insurance Contract Issued</b>			
Finance Expenses from Insurance Contracts Issued	(21,090)	(21,090)	(168,956)
<b>7.2 Finance Income For Reinsurance Contracts Held</b>			
Finance Income from Reinsurance Contracts Issued	36,091	36,091	58,039
	<u>15,000</u>	<u>15,000</u>	<u>(110,917)</u>
<b>8. Impairment Of Investments</b>			
This Represents Investment In Heritage Bank.	-	-	55,258.00
<b>9. Other Finance Cost</b>			
Interest On Borrowing Cost	619	-	-
<b>10. Income Tax Expense</b>			
<b>Current Year Tax:</b>			
Company Income Tax	71,134	45,248	205,257
	<u>71,134</u>	<u>45,248</u>	<u>205,257</u>

# SOVEREIGN TRUST INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	GROUP	COMPANY	
<b>11. Earnings per share</b>			
Basis earnings per share amounts is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary share outstanding at the reporting date.			
The following reflects the income and share data used in the basic earnings per share computations:			
Net profit attributable to ordinary shareholders for basic earnings	<u><b>316,808</b></u>	<u>256,407</u>	<u>1,496,458</u>
Total outstanding number of ordinary shares in the year	<u><b>14,228,140</b></u>	<u>14,228,140</u>	<u>14,228,140</u>
Weighted average number of ordinary shares for basic earning per share	<u><b>14,228,140</b></u>	<u>14,228,140</u>	<u>14,228,140</u>
Basic earnings per ordinary share (kobo)	<u><b>2</b></u>	<u><b>2</b></u>	<u><b>11</b></u>
There have been no other transactions involving ordinary share or potential ordinary share between the reporting date and the date of authorisation of these financial statements.			
There is not potential ordinary shares as at year end.			
<b>12. Cash and cash equivalents</b>			
Cash in banks	1,452,570	1,452,570	9,055,170
Short-term deposits with banks and other financial institutions	3,621,480	3,610,278	4,101,718
	<u><b>5,074,049</b></u>	<u><b>5,062,848</b></u>	<u><b>13,156,888</b></u>

# SOVEREIGN TRUST INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	GROUP	COMPANY	
	2025 ₦'000	2025 ₦'000	2024 ₦'000
<b>13. Investment Securities</b>			
Equity Instruments at Fair Value Through Profit or Loss	1,968,254	1,968,254	1,412,978
Equity Instrument At Fair Value Through Other Comprehensive Income	783,384	783,384	783,384
Debt Securities At Amortised Cost	1,650,133	1,650,133	2,455,752
	<u>4,401,771</u>	<u>4,401,771</u>	<u>4,652,114</u>
<b>13.1 Equity Insutruments At Fair Value Through Profit Or Loss</b>	1,968,254	1,968,254	1,412,978
<b>13.2 Equity Instrument at Fair Value Through Other Comprehensive Income</b>			
Waica Reinsurance Corporation	155,634	155,634	155,634
Interconnect Clearinghouse Nigeria Limited	26,929	26,929	26,929
STI Asset Management Limited	600,821	600,821	600,821
	<u>783,384</u>	<u>783,384</u>	<u>783,384</u>
<b>At 30 Sept. 2025</b>	<u>783,384</u>	<u>783,384</u>	<u>783,384</u>
<b>13.3 Debt Securities At Amortised Cost</b>			
Federal Government Bonds	340,171	340,171	30,030
State Government Bonds	76,280	76,280	390,564
Corporate Bonds	113,511	113,511	111,519
<b>Gross Amount</b>	<u>529,962</u>	<u>529,962</u>	<u>532,113</u>
Allowance For Expected Credit Loss	(85,852)	(85,852)	(85,852)
Fixed Deposit At Amortized Cost	1,206,022	1,206,022	2,009,491
	<u>1,650,133</u>	<u>1,650,133</u>	<u>2,455,752</u>

# SOVEREIGN TRUST INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

### 13.5.1 Equity Instruments at Fair Value Through Profit or Loss - Quoted

The fair values of the quoted equity instruments are derived from quoted market prices in active market, the Nigerian Stock Exchange (NSE).

### 13.5.2 Equity instruments at fair value through OCI - Unquoted

The fair values of the non-listed equity investments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments.

### 13.5.3 Debt instruments at amortised cost - Federal, State Government and Corporate bonds

Certain unquoted investments for which fair values could not be reliably estimated have been carried at cost less impairment. There are no active markets for these financial instruments, fair value information are therefore not available, this makes it impracticable for the Company to fair value these investments. They have therefore been disclosed at cost less impairment. The carrying amount is the expected recoverable amounts on these investments. This investment can be disposed through private placement.

### 13.5.4 Debt instruments at amortised cost - Loans and advances

The fair value of loans and advances was estimated using the maximum lending rate quoted on Central Bank of Nigeria website as at year end.

	<b>GROUP</b>	<b>COMPANY</b>	
	<b>2025</b>	<b>2025</b>	<b>2024</b>
	N'000	N'000	N'000
<b>14. Investment in subsidiaries</b>			
STI Leasing Ltd	-	<b>232,772</b>	232,772
	-	232,772	232,772
	<b>2025</b>	<b>2025</b>	<b>2024</b>
	N'000	N'000	N'000
<b>15. Trade receivables</b>			
Insurance receivables	<b>3,986,169</b>	<b>3,986,169</b>	1,842,948
	<b>3,986,169</b>	<b>3,986,169</b>	<b>1,842,948</b>

# SOVEREIGN TRUST INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	GROUP	COMPANY	
	<b>2025</b> ₦'000	<b>2025</b> ₦'000	<b>2024</b> ₦'000
<b>16. Reinsurance Contract Assets</b>			
Reinsurance Asset For Remaining Coverage	4,922,523	4,922,523	1,881,040
Reinsurance Asset For Incurred Claims Excluding Risk Adjustments	1,639,841	1,639,841	981,531
	<u>6,562,363</u>	<u>6,562,363</u>	<u>2,862,571</u>
Impairment allowance	-	-	-
	<u><u>6,562,363</u></u>	<u><u>6,562,363</u></u>	<u><u>2,862,571</u></u>
<b>17. Other Receivables And Prepayments</b>			
Contribution To Nigerian Insurance Association	411,174	411,174	411,174
Staff Debtors	249,225	200,854	13,715
Others Receivables	350,464	101,454	105,754
Receivables on Lease Contract	275,769	-	-
Prepayments	288,250	250,108	46,497
	<u>1,574,882</u>	<u>963,590</u>	<u>577,140</u>
Impairment Allowance	(3,411)	(3,411)	(3,411)
	<u><u>1,571,471</u></u>	<u><u>960,179</u></u>	<u><u>573,729</u></u>
	<b>2025</b> ₦'000	<b>2025</b> ₦'000	<b>2024</b> ₦'000
<b>18. Investment Properties</b>			
At 1 January	<u>1,347,398</u>	<u>1,347,398</u>	<u>1,347,398</u>
<b>At 30 Sept.. 2025</b>	<u><u>1,347,398</u></u>	<u><u>1,347,398</u></u>	<u><u>1,347,398</u></u>

# SOVEREIGN TRUST INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	<b>2025</b>	<b>2025</b>	<b>2024</b>
	N'000	N'000	N'000
<b>19. Intangible Assets</b>			
<b>Computer Software</b>			
<b>Cost:</b>			
At 1 January	207,003	207,003	165,067
Additions	8,001	8,001	41,936
<b>At 30 Sept. 2025</b>	<b>215,004</b>	<b>215,004</b>	<b>207,003</b>
<b>Accumulated Amortization:</b>			
At 1 January	193,023	193,023	148,866
Amortisation Charge	4,320	4,320	44,157
<b>At 30 Sept. 2025</b>	<b>197,343</b>	<b>197,343</b>	<b>193,023</b>
<b>Carrying Amount</b>	<b>17,661</b>	<b>17,661</b>	<b>13,980</b>

19.1 Intangible Assets Represent Externally Purchased Software For The Running Of The Business.

	<b>2025</b>	<b>2025</b>	<b>2024</b>
	N'000	N'000	N'000
<b>20. Leases</b>			
<b>20.1 Right Of Use Assets</b>			
<b>Motor Vehicle</b>			
<b>Cost</b>			
At 1 January	489,699	489,699	213,130
Additions	313,750	266,850	276,569
<b>At 30 Sept. 2025</b>	<b>803,449</b>	<b>756,549</b>	<b>489,699</b>
<b>Accumulated Depreciation</b>			
At 1 January	247,466	247,466	91,074
Depreciation Charge	37,456	34,525	135,103
<b>At 30 Sept. 2025</b>	<b>284,922</b>	<b>281,991</b>	<b>226,177</b>
<b>Carrying Amount</b>	<b>518,527</b>	<b>474,558</b>	<b>263,522</b>

### 20.2 Lease Liabilities

At 1 January	202,681	202,681	56,982
Additions	-	-	110,499
Interest Expense	-	-	-
Repayments	(189,290)	(189,290)	35,200
<b>At 30 Sept. 2025</b>	<b>13,391</b>	<b>13,391</b>	<b>202,681</b>

SOVEREIGN TRUST INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

21. Property, plant and equipment

	Land ₦'000	Building ₦'000	equipment ₦'000	Furniture & fittings ₦'000	Plant & machinery ₦'000	Motor vehicles ₦'000	Computer & equipment ₦'000	Total ₦'000
<b>Cost/revaluation</b>								
At 1 January 2025	<u>1,522,001</u>	<u>715,750</u>	<u>132,740</u>	<u>154,751</u>	<u>100,268</u>	<u>1,657,226</u>	<u>369,251</u>	<u>4,651,987</u>
Additions in the year	<u>-</u>	<u>42,525</u>	<u>12,503</u>	<u>12,553</u>	<u>-</u>	<u>20,548</u>	<u>54,394</u>	<u>142,523</u>
Revaluation								-
<b>At 30 Sept. 2025</b>	<u>1,522,001</u>	<u>758,275</u>	<u>145,243</u>	<u>167,304</u>	<u>100,268</u>	<u>1,677,774</u>	<u>423,645</u>	<u>4,794,510</u>
<b>Accummulated depreciation</b>								
At 1 January 2025	<u>-</u>	<u>48,000</u>	<u>108,559</u>	<u>129,798</u>	<u>95,477</u>	<u>1,217,026</u>	<u>348,335</u>	<u>1,947,195</u>
Charge for the year	<u>-</u>	<u>14,205</u>	<u>7,337</u>	<u>5,626</u>	<u>719</u>	<u>30,187</u>	<u>25,078</u>	<u>83,152</u>
<b>At 30 Sept. 2025</b>	<u>-</u>	<u>62,205</u>	<u>115,896</u>	<u>135,424</u>	<u>96,196</u>	<u>1,247,213</u>	<u>373,413</u>	<u>2,030,347</u>
<b>At 30 Sept. 2025</b>	<u>-</u>	<u>62,205</u>	<u>115,896</u>	<u>135,424</u>	<u>96,196</u>	<u>1,247,213</u>	<u>373,413</u>	<u>2,030,347</u>
<b>Carrying amount</b>								
<b>At 30 Sept 2025</b>	<u>1,522,001</u>	<u>696,069</u>	<u>29,347</u>	<u>31,880</u>	<u>4,072</u>	<u>430,561</u>	<u>50,232</u>	<u>2,764,163</u>

# SOVEREIGN TRUST INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	GROUP	COMPANY	
	2025 ₦'000	2025 ₦'000	2024 ₦'000
<b>22. Statutory Deposit</b>	<b>315,000</b>	<b>315,000</b>	<b>315,000</b>
22.1. Statutory Deposit			
The statutory deposit of ₦315,000,000 represents the amount deposited with the Central Bank of Nigeria as at 30 September 2025 (30 September 2024: ₦315,000,000) in accordance with Section 10 (3) of Insurance Act 2003. The deposit has been tested for adequacy as at 30 September 2025 and found to be adequate.			
<b>23. Taxation</b>			
23.1 Current Income Tax Payable	60,043	60,043	249,795
At 30 Sept. 2025	60,043	60,043	249,795
23.2 Deferred Tax Liabilities	116,013	110,840	225,840
	2025 ₦'000	2025 ₦'000	2024 ₦'000
<b>24. Insurance Contract Liabilities</b>			
Liabilities for Remaining Coverage	4,934,740	4,934,740	4,273,612
Liabilities for Incurred Claims	2,083,525	2,083,525	2,226,084
	7,018,265	7,018,265	6,499,696
<b>Current</b>	5,263,699	5,263,699	4,874,772
<b>Non-current</b>	1,754,566	1,754,566	1,624,924
	7,018,265	7,018,265	6,499,696

# SOVEREIGN TRUST INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	GROUP	COMPANY	
	2025 ¥'000	2025 ¥'000	2024 ¥'000
<b>25. Borrowings</b>			
Convertible Bond	<u>4,790,042</u>	<u>4,765,998</u>	<u>4,967,271</u>
<b>25.1 Convertible Bond</b>			
At 1 January	4,967,271	4,967,271	4,967,271
Interest Capitalised	-	-	-
Foreign Exchange Difference	(201,273)	(201,273)	-
Bank Overdraft	24,044	-	-
<b>At 30 Sept. 2025</b>	<u><u>4,790,042</u></u>	<u><u>4,765,998</u></u>	<u><u>4,967,271</u></u>

**SOVEREIGN TRUST INSURANCE PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2025**

	<b>2025</b>	<b>2025</b>	<b>2024</b>
	¥'000	¥'000	¥'000
<b>26. Other Payables And Accruals</b>			
Pension payable	-	-	<b>8,172</b>
Lease Creditor	(0)	-	-
Deferred Lease Income	<b>21,521</b>	-	-
Accrued Expenses	<b>4,324</b>	4,324	148,755
Unclaimed Dividends	-	-	47,112
Sundry Creditors	<b>132,048</b>	12,770	47,318
	<u><b>157,893</b></u>	<u><b>17,094</b></u>	<u>251,357</u>
<b>Current</b>	<u><b>157,893</b></u>	<u><b>17,094</b></u>	<u>251,357</u>

The carrying amounts disclosed above approximate the fair value at the reporting date. All other payable are due

**27. Equity**

**Shares Capital**

14,228,139,483 ordinary shares at ¥0.50k each

At 1 January	7,114,069	7,114,069	7,114,069
At 30 Sept. 2025	<u><b>7,114,069</b></u>	<u><b>7,114,069</b></u>	<u><b>7,114,069</b></u>

# SOVEREIGN TRUST INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	GROUP	COMPANY	
	2025 ₹'000	2025 ₹'000	2024 ₹'000
<b>28. Share Premium</b>			
At 1 January	33,814	33,814	33,814
<b>At 30 Sept. 2025</b>	<u>33,814</u>	<u>33,814</u>	<u>33,814</u>
<b>29. Contingency Reserve</b>			
At 1 January	6,016,078	6,016,078	4,753,888
Transfer From Retained Earning	1,234,912	1,234,912	1,262,154
<b>At 30 Sept. 2025</b>	<u>7,250,990</u>	<u>7,250,990</u>	<u>6,016,042</u>
Contingency Reserve In Respect Of Non-Life Business Is The Higher Of 20% Of Net Profit And 3% Of Total Premium As Specified In Section 21 (2) Of The Insurance Act 2003.			
<b>30. Revaluation Reserve</b>			
This Is Revaluation Surplus In Respect Of Building In Line With The Company'S Accounting Policy.			
	979,023	979,023	979,023
<b>At 30 Sept. 2025</b>	<u>979,023</u>	<u>979,023</u>	<u>979,023</u>
<b>31. Insurance Finance Reserve</b>			
Opening Balance	(404,199)	(404,199)	(277,419)
Additions	(974,785)	(974,785)	(126,780)
<b>At 30 Sept. 2025</b>	<u>(1,378,984)</u>	<u>(1,378,984)</u>	<u>(404,199)</u>
<b>32. Credit Risk Reserves</b>			
	30,485	-	-
	<u>30,485</u>	<u>-</u>	<u>-</u>
<b>33. Statutory Reserve Fund</b>			
	25,934	-	-
	<u>25,934</u>	<u>-</u>	<u>-</u>
<b>34. Fair Value Reserve</b>			
The Fair value reserve represents the net cumulative change in the fair value of equity instrument measured at fair value through other comprehensive income until the investment is derecognised or impaired.			
At 1 January	138,559	138,559	138,558
<b>At 30 Sept. 2025</b>	<u>138,559</u>	<u>138,559</u>	<u>138,558</u>
<b>35. Retained Earnings</b>			
At 1 January	1,736,499	1,691,691	1,061,159
Profit Or Loss For The Year	328,103	256,407	2,320,162
Dividend Paid	(711,407)	(711,407)	(426,844)
Transfer To Contingency Reserve	(1,234,912)	(1,234,912)	(1,262,790)
<b>At 30 Sept. 2025</b>	<u>118,283</u>	<u>1,779</u>	<u>1,691,687</u>
<b>37. Non Controlling Interest</b>			
Opening Balance	9,080	-	-
Profit for the Year	10,508	-	-
Non Controlling Interest	103,242	-	-
<b>Cash and cash equivalents</b>	<u>122,830</u>	<u>-</u>	<u>-</u>

SOVEREIGN TRUST INSURANCE PLC

**REVENUE, PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

**PREMIUM INCOME :**

	MOTOR BUSINESS	FIRE & PROPERTY	MARINE	AVIATION	GENERAL ACCIDENT	C.A.R & ENGINEERING	BOND	ENERGY BUSINESS	TOTAL SEPT
DIRECT PREMIUM	6,869,667,031	3,940,698,915	2,135,819,928	205,039,070	3,272,049,465	5,443,005,115	2,091,768,003	17,205,673,014	41,163,720,541
REINSURANCE INWARD	-	-	-	-	-	-	-	-	-
<b>GROSS PREMIUM WRITTEN</b>	<b>6,869,667,031</b>	<b>3,940,698,915</b>	<b>2,135,819,928</b>	<b>205,039,070</b>	<b>3,272,049,465</b>	<b>5,443,005,115</b>	<b>2,091,768,003</b>	<b>17,205,673,014</b>	<b>41,163,720,541</b>
CHANGE IN UNEXPIRED RISK RESERVE	(1,335,262,084)	(434,710,514)	55,127,559	(48,133,424)	(248,682,682)	(293,103,931)	(151,398,802)	1,426,095,887	(1,030,067,992)
INTEREST ACCRETION ON INSURANCE CONTRACT	-	-	-	-	-	-	-	-	-
RECOVERY OF INSURANCE ACQUISITION CASH FLOWS	-	-	-	-	-	-	-	-	-
<b>INSURANCE REVENUE</b>	<b>5,534,404,946</b>	<b>3,505,988,401</b>	<b>2,190,947,487</b>	<b>156,905,646</b>	<b>3,023,366,783</b>	<b>5,149,901,183</b>	<b>1,940,369,201</b>	<b>18,631,768,901</b>	<b>40,133,652,549</b>
CLAIMS PAID	(978,867,646)	(894,549,293)	(189,575,060)	(16,594,868)	201,273,108	(385,125,336)	-	(2,057,019,409)	(5,130,869,598)
NET LIABILITIES FOR INCURRED CLAIMS	(622,561,252)	182,885,006	65,859,037	20,156,692	366,379,993	(722,085,582)	(240,385,145)	(2,267,689,182)	(3,217,440,434)
INTEREST ACCRETION ON LIABILITIES FOR INCURRED CLAIMS	(495,449,213)	84,710,514	55,127,559	7,053,992	74,989,672	(218,990,528)	(216,831,694)	601,576,440	(107,813,258)
GROSS CLAIM INCURRED	<b>(2,096,878,110)</b>	<b>(626,953,774)</b>	<b>(68,588,464)</b>	<b>10,615,816</b>	<b>(167,768,322)</b>	<b>(1,326,201,446)</b>	<b>(457,216,839)</b>	<b>(3,723,132,151)</b>	<b>(8,456,123,290)</b>
<b>ACQUISITIONS</b>									
COMMISSION PAID	(768,377,276)	(805,205,480)	(445,348,255)	(48,361,541)	(795,627,206)	(1,118,193,943)	(399,882,739)	(775,633,641)	(5,156,630,081)
UNDERWRITING EXPENSES	(1,103,165,085)	(873,994,263)	(555,237,911)	(186,502,008)	(571,622,275)	(982,233,613)	(88,530,590)	(333,268,540)	(4,694,554,285)
	<b>(1,871,542,360)</b>	<b>(1,679,199,743)</b>	<b>(1,000,586,166)</b>	<b>(234,863,550)</b>	<b>(1,367,249,481)</b>	<b>(2,100,427,555)</b>	<b>(488,413,329)</b>	<b>(1,108,902,181)</b>	<b>(9,851,184,366)</b>
<b>TOTAL INSURANCE EXPENSES</b>	<b>(3,968,420,470)</b>	<b>(2,306,153,517)</b>	<b>(1,069,174,631)</b>	<b>(224,247,734)</b>	<b>(1,535,017,803)</b>	<b>(3,426,629,001)</b>	<b>(945,630,168)</b>	<b>(4,832,034,332)</b>	<b>(18,307,307,656)</b>
NET EXPENSE FROM RE INSURANCE CONTRACT	(306,799,600)	40,274,210	67,641,771	201,888,597	(29,251,155)	(480,025,331)	(368,628,721)	-	(874,900,229)
INTEREST ACCRETION TO REINSURANCE CONTRACT	-	(30,873,765)	(24,446,057)	-	(44,881,461)	(525,383,821)	4,691,899	-	(620,893,205)
OUTWARD FACULTATIVE	(10,201,400)	(330,956)	(1,464,876)	-	(3,775,185)	(4,465,455)	-	(13,872,044,948)	(13,892,282,820)
TREATY	-	(2,112,565,467)	(1,332,424,954)	-	(1,751,830,059)	(611,226,092)	(284,934,859)	-	(6,092,981,430)
COMMISSION INCOME	-	602,927,048	375,539,062	-	314,831,284	197,929,132	64,110,343	-	1,555,336,870
<b>ALLOCATION OF REINSURANCE PREMIUM PAID</b>	<b>(317,001,000)</b>	<b>(1,500,568,929)</b>	<b>(915,155,054)</b>	<b>201,888,597</b>	<b>(1,514,906,576)</b>	<b>(1,423,171,566)</b>	<b>(584,761,338)</b>	<b>(13,872,044,948)</b>	<b>(19,925,720,814)</b>
NET OF LIABILITY FOR REMAINING COVERAGE (REINSURANCE)	(749,717,859)	(62,484,015)	(162,321,023)	-	(29,592,333)	(190,603,707)	(334,609,843)	50,562,998	(1,478,765,782)
INTEREST ACCRETION FOR ASSET RECOVERABLE FOR INCURRED CLA	-	-	-	-	-	-	-	-	-
REINSURANCE CLAIMS RECOVERIES	1,785,245	473,773,461	115,807,370	-	257,143,918	57,578,895	-	135,687,928	1,041,776,816
REINSURANCE CLAIMS RECOVERABLE	-	5,354,377	15,500,945	-	80,559,335	4,691,474	137,600,000	-	243,706,131
	<b>(747,932,614)</b>	<b>416,643,822</b>	<b>(31,012,708)</b>	<b>-</b>	<b>308,110,919</b>	<b>(128,333,338)</b>	<b>(197,009,843)</b>	<b>186,250,926</b>	<b>(193,282,835)</b>
<b>NET EXPENSES FROM REINSURANCE CONTRACT HELD</b>	<b>(1,064,933,614)</b>	<b>(1,083,925,107)</b>	<b>(946,167,762)</b>	<b>201,888,597</b>	<b>(1,206,795,656)</b>	<b>(1,551,504,904)</b>	<b>(781,771,180)</b>	<b>(13,685,794,022)</b>	<b>(20,119,003,649)</b>
INSURANCE SERVICE RESULTS BEFORE NET FINANCE EXPENSES/ INCOME FROM INSURANCE AND REINSURANCE CONTRACT	<b>501,050,862</b>	<b>115,909,778</b>	<b>175,605,095</b>	<b>134,546,509</b>	<b>281,553,324</b>	<b>171,767,278</b>	<b>212,967,852</b>	<b>113,940,547</b>	<b>1,707,341,245</b>